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ESTABLISHED 1887

In Surprise, Thai King Reappoints An Ex-Leader

Anand, Prime Minister Again, Vows Elections In Temporary Tenure

By William Branigan. BANGKOK — King Bhumibol Adulyadej announced Wednesday that he was reappointing a respected former prime minister, Anand Panyarachon, to take up the post again. The surprise move was aimed at resolving Thailand's political crisis and averting new violence.



Protesters outside parliament in Bangkok displaying photographs of people killed in the military crackdown last month.

Libyan Press Assails Gadhafi Amid Rumors Of a Swerve in Policy

By Chris Hedges. TRIPOLI — The Libyan leader, Colonel Moammar Gadhafi, isolated by United Nations sanctions, has come under extraordinary criticism in the state-controlled press in what may presage a major change in the country's foreign and domestic policy.

His appointment was greeted with relief by members of the opposition pro-democracy movement and the public at large. Thailand has been without a prime minister or an effective government since May 24, when the former armed forces chief, General Suchinda Kraprayoon, resigned as prime minister, taking responsibility for the military's violent suppression of pro-democracy protests.

On Armenia Border, an Ageless Conflict Plays Out Latest Chapter

By Margaret Shapiro. YERASK, Armenia — In a dusty mountain bunker littered with spent cartridges and opened food cans, a housewife, a soccer player and a professional soldier, in battle fatigues and carrying guns, froze as gunshots erupted nearby and then faded away.

Life Downstairs in Sarajevo

By John F. Burns. SARAJEVO, Bosnia-Herzegovina — Above ground, Sarajevo is almost a ghost city, with a few crumpling figures running in short bursts between buildings, dodging shells and snipers.

Swedes, at Home, Play the French To 1-1 Draw in Soccer Opener

Basile Boli of France, left, and Tomas Brodin of Sweden take to the air in the first match of the European Championship on Wednesday in Stockholm. The teams drew, 1-1. Page 16.

Perot's 'Civil War' Drug Plan

By Michael Isikoff. DALLAS — When policemen complained a few years ago that they were not properly equipped to fight Dallas's burgeoning drug trade, a prominent local citizen, Ross Perot, offered a solution: Being in helicopters with special infrared detectors that could swoop down over residential neighbor-

Outsiders Take Over Baltimore Classrooms

By Paul W. Valentine. BALTIMORE — In an effort to improve student performance, Baltimore school officials have announced a tentative agreement to turn over control of nine public schools to a Minneapolis company next fall. The unusual public-private pact is expected to be approved by the school board and teachers union in time for the 1992-93 school year.

Kiosk section containing market news, Dow Jones index, and a crossword puzzle.

New Lessons for Old Schools Desperate for Ideas and Funds

To Balance Its Books, Penn State Taps Pepsi. Pepsi has received exclusive rights to stock its products in all soda vending machines, supply all soda fountains, advertise exclusively on the giant scoreboard at the 94,000-seat Beaver Stadium and to plaster its new slogan "You Got the Right One Baby! Uh Huh!" in corners of the 21 campuses where it is likely to make professors of English grime.



# Israelis and Arabs Fear an Outburst In Besieged Gaza

By Clyde Haberman  
New York Times Service

GAZA — Standing behind rolls of barbed wire at the army checkpoint separating the Gaza Strip from Israel, Nasser Ali was angry. He had been there for hours, waiting in vain for his Israeli employer to show up with his back pay. What he really wanted was to return to his job at an Israeli construction site. But with overcrowded Gaza and its 750,000 residents essentially sealed off for another day, there was nothing to do beside the barbed wire but stand among dozens of Palestinians in similar predicaments and curse.

"It's collective punishment to put pressure on the people," Mr. Ali said. "What kind of a democratic country punishes all the people because one of them killed a girl?"

The girl in question was Helena Rapp, an Israeli who was stabbed in May on a street near Tel Aviv by a Gaza Palestinian. Since then, a volatile mix of Israeli anger, concern about security and this summer's election politics has led to the sealing of Gaza by the army.

Except for 45 days during the Gulf War last year, the impoverished strip has not been kept closed for this long in anyone's memory.

As household incomes and savings shrink because almost no one can get to their jobs in Israel, tempers have risen. So has concern about the next time.

"I expect an explosion if it continues like this," said Raseem Bayari, chairman of the Palestinian Workers' Trade Union of Gaza. He picked up a issue box from his desk. "You see this little box?" he said. "This is Gaza, and if you squeeze everyone into that box, it will break down."

Some Israelis agree, including Yitzhak Segev, an army reserve general who was military commander of Gaza a decade ago. "There is no doubt," he said in the Tuesday editions of the Tel Aviv daily Ha'aretz, "that a drawn-out closing of the strip will turn it into a drum of explosives."

On the streets of Gaza, people are convinced that they are victims of Israel's national election set for June 23. They believe the government party has settled on a prolonged closing out of fear of a voter backlash if another Israeli was killed by a Gaza Palestinian.

Some of their Israeli employers are also frustrated. Dozens of them descended on the Gaza checkpoint on Tuesday, blocking the main road and honking their car horns.

The 30,000 to 40,000 Palestinians who normally leave Gaza each day are an integral part of the work force in Israel, where they earn an average of \$25 a day and do unskilled work shunned by most Israelis, including over arrivals from the former Soviet Union though they suffer from 40 percent unemployment.

With tensions increasing, the government has moved to ease some restrictions. This week, Gazans were allowed into Israel if they were over 28 and worked at job sites with at least 10 employees. But that change affected only a few hundred people each day.

On Tuesday night, the Defense Ministry announced that it would lower the age threshold to 25 and drop the 10-employee rule, starting Wednesday. In a strip of land where 55 percent of the population is under the age of 16, that will still leave many people without work.

The United Nations has protested the prolonged closing, and its Relief and Works Agency has distributed 110-pound bags of flour to 16,000 families in four central refugee districts. "Any situation like this is going to add to existing hardships," said Claire Grimes, an agency spokeswoman. "The question is, what is the breaking point?"

Prime Minister Yitzhak Shamir acknowledged at a parliamentary committee in Jerusalem that shutting Gaza might be "undesirable." His defense minister, Moshe Arens, is reported to be opposed to the closing, both because of pressure-cooker worries and because it would strengthen opposition claims that Gaza is not really Israeli territory.

In fact, the entire Palestinian question is so politically delicate right now that the government has prevailed on Israel's Supreme Court to postpone until June 24, the day after the election, the hearing it had scheduled for this week on deportation of 11 Palestinians from Gaza and the West Bank.

It is widely assumed on the sandy streets of Gaza's towns and refugee districts that, eventually, the lid will be removed again but that some restrictions will remain on the flow of workers into Israel. That happened after the Palestinian uprising broke out in 1987, and again after the Gulf War.

Each time, dwindling numbers of Gazans were allowed past the checkpoint.



Old and young joining in a Belgrade demonstration calling for the resignation of Serbian leadership.

## BOSNIA: Downstairs, Life Goes On in Sarajevo

(Continued from page 1)

considerable bitterness toward the U.S. government for failing to heed Sarajevo's anguished cries for American military intervention. One man, an economist, was viewed after he heard a radio news broadcast reporting the White House's latest insistence that there will be no dispatch of American troops.

Otherwise, on Pelagica Street, and everywhere else that Sarajevo has become what they refer to as mice, people were out so much complaining as cursing, not weeping so much as laughing at the hand fate has dealt them.

But to outsiders, much of what is happening here seems to carry a more universal message, one rooted in Sarajevo's own idea of itself as a place where the tides of history have thrown together cultures and religions in a way that profits all.

In this, there is a special defiance, since the Serbian nationalist leaders who command the hillside guns have set out to partition Bosnia-Herzegovina and to create what they call "ethnically cleansed

territories," in which there are few, or none, of the republic's other ethnic groups to disturb Serbian domination.

Since the Serbian attacks began two months ago, people in this building have slept end to end and side by side with barely space to walk between; the walls shake every few minutes from exploding shells, and food has dwindled to the point where a small onion from somebody's backyard is enough to cause a stir.

"Sometimes we fight, of course, because people are nervous," said Ivo Papp, 70, a retired mechanical engineer. "Somebody is smoking too much, there is not enough food, such things. But as you see, generally the spirit is good."

Mr. Papp is one of several Jews in the basement. In August 1941, as a 19-year-old, he crept into a boxcar at Sarajevo station and fled the Nazis who had arrived in the city several months earlier, setting out on an odyssey that has left him with a strong dose of patriotism and a ready wit.

Many Sarajevans who are out

Jews have compared what they are undergoing here to the Holocaust. Mr. Papp, whose father, mother, and sister were killed by the Nazis and their Croatian Ustaše collaborators, was asked if he was not uneasy with the comparison between Nazi pogroms and Serbian attacks in Bosnia-Herzegovina that have killed a few thousand people. Bosnian estimates put the total for the republic at about 6,000, perhaps half of them in Sarajevo.

"No, not at all," he said, then pointed to the hills and added: "These people are fascists."

"They are too much nationalistic, these Serbs," he continued. "They are ready to kill everybody who is out of the same nation. They try to say that what is going on here is a war between Serbs and Muslims and Croats, but it is not true. It is a war between terrorist killers and ordinary people."

At the State Department, Margaret D. Tutwiler, the spokeswoman, said only, "We have an active interagency process that is looking at a number of ways where we can be supportive of United Nations efforts."

**UN Team in Sarajevo**  
Earlier, Reuters and The Associated Press reported from the capital of Bosnia-Herzegovina:

United Nations peacekeeping officers arrived in Sarajevo on Wednesday to evaluate ways to re-open its airport for emergency aid to starving civilians, but ethnic fighting raged on in the Bosnian capital.

The first of two UN convoys reached the city in late afternoon and the second was not far behind after a 12-hour, 300-kilometer (180-mile) journey from Belgrade through rugged country dotted with Serbian militia roadblocks, a UN spokeswoman said.

Sarajevo's remaining 300,000 residents are running out of food and medicine after a two-month siege by minority Serbs who revolted against a majority Muslim and Croatian vote to take the republic of Bosnia-Herzegovina out of the Yugoslav federation.

The UN peacekeeping team had the daunting task of persuading Serbian irregulars to relinquish the airport and arranging a trace around its perimeter to allow humanitarian flights to land safely.

"To open the airport in seven to 10 days would be a remarkable feat and require the full cooperation of all parties involved," said Shannon Boyd, a UN spokeswoman in Belgrade, capital of the rump Yugoslavia federation and its dominant republic of Serbia.

Many Western experts regard Mr. Gaidar's presence in the government as a guarantee that the long, forced march toward a market-style economy will continue in Russia, despite inevitable setbacks. In what was widely seen as a political slight to Mr. Gaidar, Mr. Yeltsin last week postponed the freezing of energy prices and brought several new economic ministers headed by a new deputy prime minister, Vladimir Shumeiko, had come out firmly in favor of economic reform.

They said that they would under no circumstances permit any split in Gaidar's overall government team," he said.

At his meeting with military leaders, Mr. Yeltsin announced a further 80 percent pay increase for officers to allow them to keep pace with the rising cost of living.

# Echo From Past: Russia Decries U.S. Arms Stance

By Michael Dobbs  
Washington Post Service

MOSCOW — President Boris N. Yeltsin said Wednesday that the United States was trying to gain a strategic advantage over Russia in negotiations on further deep reductions in the size of each country's nuclear arsenals.

The president's comments, which were made at a meeting with senior army officers in the Russian Defense Ministry, appeared designed in part to shore up support for his policies from the conservative military establishment. Later in the day, Mr. Yeltsin revealed that he was making a fresh attempt to secure a breakthrough toward a new arms-reduction agreement with the United States during his summit meeting with President George Bush in Washington next week.

"Russia continues to pursue the idea of strategic parity, while the American side is going along a somewhat different path," Mr. Yeltsin told the officers, explaining that the United States wanted to eliminate Russia's land-based nuclear missiles with multiple war-

heads but was reluctant to significantly reduce its own submarine-based nuclear force.

"If such a decision is adopted, the United States would be left in a more advantageous position," Mr. Yeltsin added.

Talks in Washington between Foreign Minister Andrei V. Kozyrev and Secretary of State James A. Baker 3d on cutting overall force levels by at least half to 4,700 warheads ended in a deadlock Tuesday because of an inability to agree on the mix of weapons. Mr. Kozyrev flew to Moscow on Tuesday, saying that a "political impetus" from both presidents was necessary to make the Washington summit meeting a success.

Speaking to his security council Wednesday evening, Mr. Yeltsin said he had sent a letter to Mr. Bush earlier in the day with the draft of an outline agreement on "the basic principles for cutting nuclear weapons" that could be signed in Washington. There was no immediate response from Washington.

A leading Russian arms control expert, Andrei Kortunov, said he doubted that Mr. Yeltsin would be prepared to make "radical conces-

sions" to Mr. Bush for the sake of a new arms control agreement going beyond the still unratified Strategic Arms Reduction Treaty. He noted that the president was under pressure from conservatives in the Russian parliament and had little to gain politically from such an agreement.

Mr. Yeltsin combined his words of reassurance to the military with a reiteration of his full support for his team of young economic reformers headed by Deputy Prime Minister Viktor T. Gaidar. Over the past two weeks, Russian newspapers have been full of reports that the Gaidar team is losing ground to a powerful lobby representing state-run industry and could be on its way out.

"I am convinced we now need to go further," Mr. Yeltsin said. "Any halt would simply be fatal for Russia," he added, shooting down speculation that the Gaidar team would submit its resignation following the Washington meeting.

At his meeting with military leaders, Mr. Yeltsin announced a further 80 percent pay increase for officers to allow them to keep pace with the rising cost of living.

Washington — The National Transportation Safety Board has recommended improved safety training for airline flight attendants, saying some attendants had not performed proficiently during recent accidents investigated by the board.

The board's acting chairman, Susan Conaghan, said some attendants "performed counter to their training" in emergencies. The answer, she said, is that "they have to be so well trained that those activities will come naturally."

The Association of Flight Attendants agreed with the board's recommendations. Fred Casey, the association's national vice president, said flight attendants spent 60 percent of their training time on how to serve passengers and 40 percent on safety, and "we think the balance should be better for safety."

The board cited several incidents in which flight attendants did not follow proper procedures, including these:

• The ground collision on Dec. 3, 1990, between a Northwest Airlines 727 and a DC-9 at Detroit. The lead DC-9 flight attendant was not in her assigned jump seat and failed properly to deploy emergency slides.

• The crash on Feb. 1, 1991, in which a USAir 737 landed atop a smaller plane. Two flight attendants jumped from their seats before the plane stopped sliding and opened doors, contrary to

# Senators Urge U.S. To Attack The Serbs

By David Binder  
New York Times Service

WASHINGTON — A growing number of Republican and Democratic senators are pressing the Bush administration to consider military intervention to end the siege of Sarajevo by Serbian forces.

Administration spokesmen were cool to the proposals.

Last Thursday, Senator Carl M. Levin, Democrat of Michigan, submitted a resolution calling on President George Bush to request that the United Nations prepare a plan for military intervention to halt the fighting in Bosnia-Herzegovina.

At the same time, Senator Claiborne Pell, Democrat of Rhode Island, said in a Senate speech that the United States should consider specific military steps.

The Levin resolution, endorsed by Senators George J. Mitchell, Democrat of Maine, and Robert J. Dole, Republican of Kansas, is expected to be adopted on Thursday by the Senate Foreign Relations Committee, an official said.

Mr. Pell, chairman of the Foreign Relations Committee, said: "The United States should consider immediate military action to stop the killing now. The airspace over Bosnia-Herzegovina should be closed to aircraft of the rump Yugoslav federation."

Senator Joseph R. Biden Jr., Democrat of Delaware, is convening the committee's subcommittee on European affairs on Thursday to discuss his own draft resolution on "using military force to resolve the crisis" in Yugoslavia.

Speaking in anticipation of the Levin resolution, which he intends to endorse, Senator Richard G. Lugar, Republican of Indiana, said: "The time for drawing the line has come."

He urged that the United States plan together with its North Atlantic Treaty Organization allies for "a comprehensive use of force as thorough as that formulated for Iraq, sea and ground forces in Desert Storm" in the 1991 Gulf conflict.

Asked about Senator Lugar's remarks, Martin Fitzwater, the White House spokesman, said: "We believe that the UN is the right forum to do this and we are working with the UN and are part of their deliberations."

At the State Department, Margaret D. Tutwiler, the spokeswoman, said only, "We have an active interagency process that is looking at a number of ways where we can be supportive of United Nations efforts."

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# WORLD BRIEFS

## POW Tells of Sexual Abuse in Iraq

WASHINGTON (AP) — The U.S. Army said Wednesday that a female officer was sexually assaulted after being captured during the Gulf War. The incident involved Major Rhonda Cornum, who was captured after her helicopter was shot down over Iraq. The matter came to light Monday during testimony before a presidential commission looking into the issue of women serving in combat-oriented jobs.

Marilla Cushman, an army spokeswoman, corroborated Major Cornum's testimony about the incident, which was reported by USA Today. According to the newspaper, Major Cornum told the panel that while a prisoner of war, she was "treated exactly the same" as males. But under direct questioning from a panel member, Elaine Donnelly, she acknowledged she was "violated manually, vaginally, and rectally." She went on to say that being treated in such a manner should be considered "an occupational hazard of going to war," the paper reported.

An army source, who spoke on condition of anonymity, said the incident involving Major Cornum did not take place while she was in an Iraqi prison, but would not say when it did happen.

## Gun Violence Called U.S. Emergency

WASHINGTON (WP) — Gun violence in the United States has become a public health emergency, the Journal of the American Medical Association said Wednesday in an editorial advocating far-reaching gun control legislation.

The former surgeon general, C. Everett Koop, joined the AMA journal editor, George Lundberg, in calling for the restriction and monitoring of gun ownership in the same way that governments restrict drivers' licenses — a proposal far broader than the waiting-period legislation that has failed to pass Congress or win President George Bush's unqualified support.

The magazine devoted the issue to studies that Mr. Lundberg said "paint a grotesque picture of a society steeped in violence." The studies included topics such as how easy it is for high school students to acquire a handgun and a comparison of the rate of fatal shootings of black male teenagers in 80 urban counties. While the magazine is owned by the AMA, it is editorially independent. The AMA supports a waiting period for handgun purchases and restrictions on assault weapons, but has not endorsed Mr. Koop and Mr. Lundberg's proposal, a spokesman said.

## Iran Hangs 4 as Riot Ringleaders

NICOSIA (Reuters) — Iran hanged four men on Wednesday for their role as ringleaders in the May 30 riots in the holy city of Meshed and warned that trouble-makers would be rooted out and discarded like weeds, Tehran radio said.

The Islamic revolutionary court in Meshed sentenced an unspecified number of people to long or short jail terms or flogging for rioting, and trials of others continued, it added. In Tehran, Ayatollah Ali Khamenei said the violence was carried out by "bullies and ruffians" who were "instigated by the clandestine, masked counterrevolution."

A spokesman for the Iraq-based opposition Mujahidin Khalaf said the police had rounded up 3,000 of its sympathizers in Meshed, a city of 2 million people, since the riots. The group last week appealed to the UN secretary-general, Boutros Boutros Ghali, to stop what it termed a planned mass execution of its sympathizers.

## Moscow Admits It Held U.S. POWs

WASHINGTON (Reuters) — U.S. officials have been told that some Americans held in the Soviet Union after World War II might have survived into the 1980s, a U.S. source said.

More than 23,000 Americans liberated from German prisoner of war camps in 1945 by the Soviet Army were taken to the Soviet Union, according to Moscow officials. Most were repatriated in 1945 and 1946, Russian officials investigating reports said in a statement issued with the United States.

Washington and Moscow set up a commission in March to investigate the fate of military personnel still missing from World War II, the Korean and Vietnam conflicts and various Cold War confrontations.

## For the Record

At least 43 Ukrainian coal miners died after an explosion sent clouds of carbon monoxide gas through a pit at Krasnodon, near Ukraine's eastern border with Russia, officials said in Kiev on Wednesday. (Reuters)

## TRAVEL UPDATE

In Urbino, Italy, a section of the 16th century ramparts enclosing the city center collapsed Wednesday, and local officials angrily blamed the Italian government for doing nothing to prevent the damage. Deputy Mayor Mario Fortini said the situation had evolved from "scandal to dramatic." (Reuters)

Krasnoyarsk airport in Western Siberia canceled all flights Tuesday because it has no fuel and cannot afford to buy any, Russian television reported. (AFP)

China will have a record year for tourism in 1992, but inadequate air services and poor marketing overseas are preventing an even bigger boom, officials said Wednesday in Beijing. (AFP)

The presidential front-runner in the Philippines, General Fidel V. Ramos, said Wednesday that a museum housing the famous shoe collection of Imelda R. Marcos would remain open to the public once he was proclaimed president. The collection, in the Malacanang Palace, features 1,200 pairs of Mrs. Marcos's size 39 shoes, a bulletproof bra and luxuries she acquired during her 20 years as Manila's first lady. (AFP)

Burkina Faso's airports were shut Wednesday when air-traffic controllers began a three-day strike, trade union sources said. (AFP)

## The Weather

Forecast for Friday through Sunday



North America: Stratus will be plentiful Friday and Saturday with little or no rain from the Atlantic Coast will give southwest into Spain and Portugal over the weekend. Strong, gusty winds and heavy rains will slash the west Coast each of these days. Paris through London will be breezy and mild with some sun.

Europe: A storm from the Atlantic will give southwest into Spain and Portugal over the weekend. Strong, gusty winds and heavy rains will slash the west Coast each of these days. Paris through London will be breezy and mild with some sun.

Asia: Partly sunny and warm weather is slated from Seoul to Tokyo Friday. A period of showery weather is likely this weekend. The jet and Hong Kong will be steamy with a few showers. Tropical heat will persist in Singapore and Bangkok with a thunderstorm.

Region	Today	Tomorrow
Algeria	24/17	25/18
American Samoa	28/24	29/25
Ankara	18/8	19/9
Athens	28/22	29/23
Bangkok	31/24	32/25
Berlin	18/8	19/9
Bombay	31/24	32/25
Buenos Aires	24/17	25/18
Calcutta	31/24	32/25
Caracas	27/20	28/21
Chengde	27/20	28/21
Chicago	27/20	28/21
Colombo	31/24	32/25
Copenhagen	18/8	19/9
Dakar	27/20	28/21
Dhaka	31/24	32/25
Hanoi	27/20	28/21
Hong Kong	31/24	32/25
London	18/8	19/9
Los Angeles	27/20	28/21
Madrid	27/20	28/21
Manila	31/24	32/25
Moscow	18/8	19/9
Mumbai	31/24	32/25
Nairobi	27/20	28/21
New Delhi	31/24	32/25
New York	27/20	28/21
Osaka	27/20	28/21
Paris	18/8	19/9
Perth	27/20	28/21
Rangoon	31/24	32/25
San Francisco	27/20	28/21
Singapore	31/24	32/25
Sydney	27/20	28/21
Taipei	27/20	28/21
Tokyo	27/20	28/21
Washington	27/20	28/21
Yokohama	27/20	28/21

Legend: ☀️ = sunny, ☁️ = partly cloudy, ☁️ = cloudy, ☁️ = overcast, ☁️ = thunderstorm, ☁️ = rain, ☁️ = snow, ☁️ = fog.

Plants have fed the world and cured its ills since life began. Now we're destroying their principal habitat at the rate of 50 acres every minute.

We live on this planet by courtesy of the earth's plants. Plants provide us with oxygen, regulate the atmosphere, maintain water supplies and prevent desertification. Without plants, man could not survive. You are destroying the principal habitat of the plants that sustain life at the rate of 50 acres a minute. What can be done about it? A practical international plant conservation program is now underway. Save the plants that save us.

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Improved Emergency Training Urged for U.S. Flight Attendants By Don Phillips Washington Post Service WASHINGTON — The National Transportation Safety Board has recommended improved safety training for airline flight attendants, saying some attendants had not performed proficiently during recent accidents investigated by the board. The board's acting chairman, Susan Conaghan, said some attendants "performed counter to their training" in emergencies. The answer, she said, is that "they have to be so well trained that those activities will come naturally." The Association of Flight Attendants agreed with the board's recommendations. Fred Casey, the association's national vice president, said flight attendants spent 60 percent of their training time on how to serve passengers and 40 percent on safety, and "we think the balance should be better for safety." The board cited several incidents in which flight attendants did not follow proper procedures, including these: • The ground collision on Dec. 3, 1990, between a Northwest Airlines 727 and a DC-9 at Detroit. The lead DC-9 flight attendant was not in her assigned jump seat and failed properly to deploy emergency slides. • The crash on Feb. 1, 1991, in which a USAir 737 landed atop a smaller plane. Two flight attendants jumped from their seats before the plane stopped sliding and opened doors, contrary to

Table with weather forecasts for various cities including London, Paris, Rome, etc. Includes a legend for weather symbols.

Vertical text on the right edge of the page, including "Allies", "Washington", "Third World", "Protection", and "Sous le".



# Allies' Independent Ways in Rio: A Diplomatic Challenge to a Beleaguered U.S.

By Paul Lewis  
New York Times Service

**RIO DE JANEIRO** — As the Earth Summit enters its final phase, Europe and Japan are showing increasing independence from the United States on environmental issues, worsening American isolation and creating a diplomatic challenge for Washington.

President George Bush strained relations with industrialized countries and the Third World when he rejected detailed targets in a treaty to curb global warming and refused to join a pact to preserve plant and animal life.

The traditional northern allies are still trying to build bridges to the increasingly beleaguered American delegation because they realize that without Washington's participation, no agreements made here can be effective. But they are constrained by the fact that they see the problem differently.

They do not agree with Mr. Bush that the measures should be rejected or modified because they could threaten jobs. Unlike the administration, they see safeguarding the environment as an unavoidable challenge that will strengthen their industry in the long run, not as a new and sinister threat to their way of life.

"What we see emerging in the United States is something like 'ecologism' — fear of a new communism hidden behind ecology," Environment Minister Klaus Topfer of Germany said here.

That view may be extreme. But the lonely U.S. position at the Earth Summit does appear to be a departure from the recent course of post-Cold-War diplomacy.

While the United States has had little difficulty getting its way in other multilateral organizations, like the United Nations Security Council, since the Soviet Union broke up, it has forfeited its leadership role here, and neither Europe nor Japan are able to step in.

A powerful reason why some of the United States' closest allies do not share the administration's apprehension about the economic costs of cleaning up the world is that they expect to benefit from such a commitment.

Japanese and German industries in particular have led the development of "clean" technologies, and they hope the Earth Summit plan to endorse Agenda 21, a global cleanup proposal and to give Third World countries

money to pay for it will translate into fat orders for their companies.

"Of course there are short-term costs," said the European Community spokesman, Laurens Jan Brinkhorst. "But in the end, energy efficiency is good for industry, not bad."

Dr. A.S. Kascenally, the environment minister of Mauritius, said, "It's difficult to see how America is protecting jobs by not signing a biodiversity convention that would allow its drug companies to experiment with our natural genetic resources."

Japan certainly appears to take the meeting more seriously than the United States, fielding a delegation of more than 100 officials compared with 45 American officials. But diplomats say it remains reluctant to give a clear lead that cuts across U.S. interests.

As the world's largest market, the European Community clearly has potential clout, but it often lacks unity of purpose. Despite economic difficulties caused by unification, Germany is often closer to the Scandinavian countries in its enthusiasm for green causes than Britain, Spain and Portugal, who shy away from new financial burdens.

Western diplomats generally see the roots of the Bush administration's grudging approach in the political pressure of a presidential election campaign, an economic recession and a high budget deficit.

"The United Nations must learn never to hold an international conference during an American election year," says Tommy T. B. Koh, the Singapore diplomat who heads the main negotiating committee.

The major U.S. initiative, an offer of \$150 million in bilateral aid to save Third World forests, backfired because most countries saw it as an attempt to distract attention from Mr. Bush's unpopular decisions. In an effort to change that impression, Britain and Germany want the U.S. offer accepted as a first contribution toward a new world agreement they eventually hope to negotiate on preserving forests.

The European Community and the Nordic countries also rejected as unnecessarily anti-American a plan suggested by the Netherlands, Switzerland and Austria for a joint statement criticizing the global-warming convention that Mr. Bush weakened and pledging to strengthen it.

Instead, the European Community adopted a uniform statement setting targets and timetables for reduction of carbon-dioxide emissions to 1990 levels by the end of the century — a position at odds with that of the United States.

But the 12 also offered the Bush administration a face-saving way of signing the convention on biodiversity by agreeing to make a statement setting out their own interpretation of contentious clauses. The White House has shown no interest in going along with it.

The Europeans, meanwhile, are increasing America's isolation by trying to persuade small island states as well as India, which will all face severe flooding if the climate warms, to back their call for tougher commitments on curbing warming gas emissions.

That sense of isolation may increase when heads of state and government start addressing the meeting at the end of the week. For Mr. Bush is unlikely to be able to pledge the Third World as much help with making its development environmentally sustainable as his counterparts from Europe and Japan.

## NEWS ANALYSIS

tion at the Earth Summit does appear to be a departure from the recent course of post-Cold-War diplomacy.

While the United States has had little difficulty getting its way in other multilateral organizations, like the United Nations Security Council, since the Soviet Union broke up, it has forfeited its leadership role here, and neither Europe nor Japan are able to step in.

A powerful reason why some of the United States' closest allies do not share the administration's apprehension about the economic costs of cleaning up the world is that they expect to benefit from such a commitment.

Japanese and German industries in particular have led the development of "clean" technologies, and they hope the Earth Summit plan to endorse Agenda 21, a global cleanup proposal and to give Third World countries

## Washington Opposes Third World Nations on Protection of Forests

**RIO DE JANEIRO** — The United States and Third World nations clashed Wednesday over how to preserve forests as delegates put the finishing touches on pacts for environmental protection.

The delegates were working to complete documents for signing by more than 100 heads of state who will gather in Rio by Friday.

The documents include a non-binding Rio Declaration of broad environmental goals; conventions on climate control, protecting plant and animal species and forestry, and a blueprint for cleaning up the Earth.

The United States has been isolated from its allies and strongly criticized for opposing the biodiversity treaty and for its insistence on weakening the treaty on global warming.

The biodiversity treaty seeks to preserve the diversity of plant and animal life worldwide while advancing economic development.

On Wednesday, the United States was again at the forefront of discord, this time over forestry.

The United States does not want to commit itself to providing aid in exchange for protecting forests; Malaysia, which leads Third World nations on forestry issues, insists that the statement explicitly make that link.

The developing countries also oppose terms that they fear might lead to an infringement of their right to use forests as they see fit.

"What is the cause of deforestation? Poverty," said Keng Yank Lim, the Malaysian minister of pri-



William K. Reilly, left, the chief U.S. delegate at the Earth Summit, talking with Rafael Pavdam, center, and Carmelina Porato, right, Indians from the Ecuador's Amazon region during a tour of Global Forum, the nongovernmental organizations' meeting place in Rio.

mary industries. "How do you keep people with empty stomachs away from the forests?"

Mr. Lim said Malaysia insists on forestry statement provisions that would commit developed nations to share biotechnology and provide development aid in return for protection of tropical forests.

Malaysia also wants a commitment to increase temperate forests — found mostly in developed nations — which it says are as effective in absorbing carbon dioxide as tropical forests.

The forestry issue is the other side of the coin of the climate control treaty, which was weakened at U.S. insistence. Trees absorb carbon dioxide emissions, believed one of the main causes of global warming.

William K. Reilly, head of the U.S. delegation and chief of the Environmental Protection Agency, linked U.S. support for the Rio Declaration on a satisfactory statement of forest principles.

Both documents are nonbinding, but whatever moral force they might have would be undermined if the United States were to refuse to sign them.

However, the U.S. presidential spokesman, Martin Fitzwater, said Wednesday in Washington that the United States accepted the Rio Declaration even though it had sought some changes in its language.

A U.S. initiative to provide an additional \$150 million in aid to developing countries for forestry protection also has been blocked in

the wrangling over the forestry statement.

Mr. Reilly met privately Wednesday for 40 minutes with Mr. Lim. Afterwards, Mr. Lim implied the talks were fruitless.

The U.S. delegation "came with preconceived ideas and will have to review their position," Mr. Lim said. "Don't expect us to give away our right," he said, to use resources in order to sign a convention.

In the global warming treaty, targets to reduce carbon dioxide emissions to 1990 levels by 2000 were deleted under U.S. pressure. The treaty is to be signed this week.

But the 12-nation European Community has called for a meeting this fall to consider reintroduc-

ing those targets to the treaty. The Bush administration argues that establishing limits on carbon dioxide emissions could hurt the U.S. economy as it struggles out of recession. The United States leads the world in carbon dioxide emissions.

The United States refuses to sign the biodiversity treaty to protect animal and plant resources, arguing it would hurt U.S. businesses and cost jobs.

Mr. Bush was to leave Thursday for a brief visit to Panama before going to Rio for the meeting, which has cast him as the main obstacle to stronger treaties on global warming and biodiversity. In Washington, Mr. Fitzwater said that Mr. Bush would confront other leaders with the "hard truths" that shape his view.

"It will be fairly aggressive remarks in which he sets out the hard truths about environmental protection that we believe should be pointed out," Mr. Fitzwater said, "particularly about the need for halooce between environmental protection and economic growth."

White House officials have grown increasingly apprehensive about the meeting, fearing it may turn into a political ambush for the president, caught in a tight re-election campaign.

On another issue, negotiators agreed to a compromise text trimming the meeting's initial calls for major new funding. A copy of the

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**INTERNATIONAL Herald Tribune**







# Adoption in Peru: Pain and Frustration

By Nathaniel C. Nash  
New York Times Service

LIMA — They are a special group of European and American visitors. Many are couples in their late 30s and early 40s, too old to be classified most eligible by adoption agencies in the United States. Some are single people, who are almost always passed over in the adoption competition back home.

Most came here with high hopes, having been told that if they went to Peru they would leave with a healthy baby within four to six weeks.

But such optimism died months ago. In its place is a desperate hope that the Andean children they have cuddled and nurtured for months will not be taken from them.

Scores of people who came to Peru to find children are now stranded in this country of upheaval. An inefficient and at times corrupt legal system, plus periodic adoption scandals that have fed intense nationalism here, has forced many to stay in Peru six months,

and sometimes a year, to complete adoptions.

And that wait has been lengthened by at least two to three months since President Alberto Fujimori seized expanded powers on April 5. Most of the nation's courts were shut down for six weeks and the number of judges severely reduced, creating a huge judicial backlog.

Like Americans, Europeans are seeking to adopt in Peru. Italians are by far the largest single nationality represented among prospective adoptive parents here, close to double the number of Americans. But although Italians are equally affected by court delays, they seem to have a somewhat smoother experience overall because they are not as stigmatized as the American "gingo."

Some would-be parents have simply left out of frustration. But most have stayed, not willing to be separated from the infants they were handed when they arrived and whom they now consider their children.

"There is an awful lot of pain among us," said one adopting mother who asked to be identified only as Di Anne for fear of jeopardizing her case. "All of us could tell you horror stories of endless delays, losing jobs back home, losing homes. We're living day by day with babies that are ours emotionally, but we don't know if we will be able to keep them."

Peru is the second-most-popular destination, after South Korea, for Americans going abroad to adopt children. Unlike many countries in which foreigners must wade through government adoption agencies, Peru permits private adoption — agreements between the natural mother and would-be parents. Peru also permits adoption of infants by older couples and single people.

U.S. Embassy officials in Peru estimate that Americans adopt 700 Peruvian babies a year.

The plight of foreigners spending months in hotels seems increasingly sequential in a country plagued by guerrilla violence and drug traffic-

ing, with 60 percent of its people living in poverty.

But the troubles of the foreigners reflect a wrenching debate here and in other Latin American countries. Have the societies given up their children too easily? Is the quick adoption process just the fast way out of confronting poverty, malnutrition, lack of education? Adoption scandals are a favorite topic of the Peruvian press, which some say is campaigning against foreign adoptions.

"Due to the campaign, judges are carrying out deeper investigations," said a juvenile court judge handling adoptions. She added that a judge who processed a case quickly was often accused of being corrupt.

Neighboring Colombia has made the process far more difficult in the last year by eliminating private adoptions. Adopting parents now have to go through state-run agencies. Bolivia is considering such a change. Similar changes have been proposed for Peru.

For Peruvians, adoption also touches the issue of racism that runs deep in this culture, separating the dark-skinned Indian and mestizo Peruvians from the light-skinned Peruvians of Spanish descent. Many cannot understand why light-skinned Westerners would want to adopt dark-skinned babies from the Andean highlands. Some have accused foreigners of planning to raise the children to become servants.

The adopting parents in Peru have been charged by judges with baby trafficking. Others have had babies taken from them by the police, acting on judicial orders, just as they were about to board the plane home.

"I was told it was going to be easy," said Carol Brooks, a single, 35-year-old computer analyst from Kaiser, Oregon, who came here to adopt. "But with the long wait and added expense I'm using money I had put aside to buy a house."

The first child Miss Brooks was given was taken away from her when the authorities decided the natural mother did not want to give up the child.

John Gordy, a retired U.S. Air Force officer, arrived on Jan. 10 in Lima with his wife, Cynthia. Their Peruvian lawyer had arranged for them to adopt two sisters in the southeastern province of Puno.

After several weeks in Puno with the two children, they were told the adoption had been completed and they could take their children to Lima to await final approval. But within days, Mr. Gordy found out that the judge in Puno had issued a nationwide warrant for his arrest, accusing him of baby trafficking.

The couple eventually had to put both children in orphanages. They left Peru in May with no children, having spent more than \$15,000.



HUNGER IN AFGHANISTAN — Children in Kabul waiting outside the headquarters of mujahidin forces for distribution of food. There is currently a severe food shortage, and the new Islamic government has appealed to the United Nations and to friendly countries for relief.

# Democrats Defy Bush On Benefits For Jobless

By Clifford Krauss  
New York Times Service

WASHINGTON — Challenging President George Bush on a politically sensitive issue, the Democratic-controlled House of Representatives has voted overwhelmingly to make sweeping changes in the unemployment insurance system to grant automatically renewable benefits to the long-term jobless.

Mr. Bush would have preferred another simple extension of unemployment benefits for 13 or more weeks. But the measure that was passed went far beyond that, putting him in the awkward position of having to consider vetoing a bill that would help more than 2 million unemployed people in an election year.

If no further extension is enacted, the current round of extended benefits will expire July 4.

The White House strongly suggested Tuesday night that Mr. Bush would veto the measure. Laura Meilillo, a White House spokeswoman, said the president preferred a Republican-sponsored bill that would have provided \$2.5 billion for extending unemployment benefits, as well as lowering capital gains taxes and repealing the luxury tax on boats.

The Democratic bill was approved, 261 to 150, on a vote that mostly followed party lines. It would replace the current system of irregular extensions of benefits with one that would automatically grant at least 13 extra weeks of benefits in states where the unemployment rate was 6 percent or higher.

The Senate Finance Committee is planning to take up a similar though less generous bill on Thursday.

# A Gift Too Much, Too Soon

Would-Be U.S. Envoy Mistimed Political Contribution

By Charles R. Babcock  
Washington Post Service

WASHINGTON — A \$100,000 contribution that Donald H. Alexander, a Kansas City businessman, made to the Republican Party in January has become a stumbling block in his drive to fulfill a lifelong goal of returning to his native land as U.S. ambassador to the Netherlands.

Senator Paul S. Sarbanes, Democrat of Maryland, said he was holding up Mr. Alexander's nomination because he made the large donation to the Republican National Committee "at the same time" he was seeking the appointment from the Bush White House.

Mr. Sarbanes noted during a hearing of the Senate Foreign Relations Committee last week that Mr. Alexander's donation was much larger than any he had made before. In the four previous years, he had made political contributions amounting to \$6,300 — including one for \$1,000 last November to President George Bush's re-election campaign.

Mr. Alexander, born in Amsterdam, said the \$100,000 donation was unrelated to his seeking the post. Administration officials asked him "what my motivations were, and I told them that was something separate and apart from my efforts to become ambassador."

But he acknowledged under questioning that he made the donation after learning that a previous ambassador to the Netherlands had done the same. He also told the committee that he had considered making another donation to the Bush campaign in May, but that a State Department aide suggested it might not be "appropriate."

Mr. Sarbanes said he had no objection to three other political ambassadorships the administration has pending before the committee.

"I'm not arguing that every ambassador should

come out of the career service," he said. "But the balance of them have to have real merit and ought not to be linked or appear to be linked to a large political contribution."

Eight members of Team 100 — those who gave or raised \$100,000 or more for Bush's 1988 campaign — became ambassadors after Bush was inaugurated. They include Howard Wilkins Jr., who preceded Mr. Alexander in the Netherlands post.

In a letter to the committee chairman, Claiborne Pell, Democrat of Rhode Island, Mr. Sarbanes suggested that the staff investigate further the circumstances of the Alexander donation, as well as his service as honorary consul to the Dutch government.

A committee spokesman said the committee had scheduled a meeting Thursday to vote on whether to approve 10 ambassadorial nominations, including seven career Foreign Service officers. Mr. Alexander's name will not be considered then because of the Sarbanes request, he said.

Mr. Sarbanes has previously raised the issue of people who make large donations to the Republican Party getting ambassadorial appointments. In 1989, he said: "If it's going to be a bidding war, at least we should put it up for public bid so the money goes to the U.S. Treasury."

Reports about ambassadorships going to large political donors are not new. During the Watergate era, Herbert Kalmbach, President Nixon's chief fund-raiser, went to prison for promising an ambassadorship in return for a \$100,000 donation, and for raising undisclosed funds from ambassadors to the Netherlands. Mr. Kalmbach testified at the time that another donor complained that \$250,000 was "an awful lot of money for Costa Rica."

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# LIBYA: Official Press Assails Gadhafi Amid Rumors of Swerve in Policy

(Continued from page 1)

made, the country was "demoralized."

"We have been stabbed in the back," the editorial said.

There have been daily demonstrations in front of the Saudi Arabian Embassy by protesters who contend that the Saudi government has allowed Christians at the United Nations to decide whether or not they can fly to the yearly Muslim pilgrimage to Mecca. The Security Council said flights to Mecca could take place if Libya applied

for permission, something the Libyans have refused to do because the head of the exemption committee is a "nonbeliever."

"The failure of Colonel Gadhafi's policies is placed in the shoulders of the other Arabs, who refused to support Libya, despite all the sacrifices Libya was supposed to have made for them," a Western diplomat said. "Now the message coming out is that Libya must think of itself first and take care of its own needs, which include repairing ties with the West."

Coloel Gadhafi has insisted that he is not a head of state but a leader who follows the dictates of the Libyan people, who are organized into people's congresses. The General Congress is scheduled to begin its yearly meeting on Saturday and will discuss economic changes and the sanctions.

Government officials contend that the editorials are part of a popular call to reverse past policies.

"This is the voice of the people," said an editor at JANA. "The colonel must listen to the people. This is

a sign of a big change. It is time for us to open our relations with the West."

JANA announced late Tuesday that it had been taken over by a revolutionary group that had dismissed the director. The communiqué said the group had acted because the Libyan people had "the right to know the truth, all the truth, without distortions."

But JANA workers said the announcement was exaggerated and that the director had been replaced several days ago.

## Stop the killings in the "COWARD'S WARS"!

Even though the war in Cambodia appears to have ended and the United Nations has begun to repatriate 350,000 refugees from Thailand, anti-personnel mines, placed by the warring factions in Cambodia's 15-year-old war, continue to kill and maim civilians.

So far, the international community has failed to respond to this man-made crisis by undertaking a full-scale demining program. Since the fall of the Khmer Rouge in 1979, some 30,000 Cambodians — men, women, and children — have lost one or more limbs, while thousands of others have died. Those most in danger of stepping on mines are peasants foraging for wood and food or working in the rice fields. Children herding livestock are particularly at risk as they traverse large tracks of land in search of fresh pastures.

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The international community must provide funds and personnel to actually begin identifying, verifying and marking minefields without delay to ensure the safety of the civilians, as well as implementing selective mine clearance in priority areas to allow the start of development programmes.

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# Ruling Party Wins Indonesia Election

By Michael Richardson  
*International Herald Tribune*

**JAKARTA** — President Suharto of Indonesia, who has been in power for 27 years, appeared virtually certain Wednesday of being nominated for another five-year term in 1993 despite signs of disquiet that emerged in parliamentary elections this week.

Analysts said Wednesday that a strong showing in the elections on Tuesday by the Golkar party, which supports Mr. Suharto, set the stage for his renomination in March.

With counting close to completion, Golkar had captured 67.3 percent of the vote and was ahead in all 27 provinces of Indonesia and in Jakarta, according to an official tally.

However, Golkar's share of the vote slipped from 73 percent in the last elections, in 1987, while two competing parties that criticized the government for stifling democracy and favoring the rich and politically well connected made significant gains.

Official results showed that the Muslim-based United Development Party had 17.5 percent of the vote and the Indonesian Democratic Party, a fusion of nationalist and Christian groups, 15.2 percent.

Both parties complained that restrictions on political organizing and campaigning prevented them from matching Golkar, which gets backing from the 4 million member bureaucracy and local officials in the villages.

Golkar officials said the party gained support from people in the countryside, who form the vast majority of the 107 million registered voters, because the government had carried out an extensive rural development program.

Kwik Kian Gie, head of the Indonesian Democratic Party's research bureau, said that as a result of economic growth and the spread of education people were becoming better informed and more critical of the government.

Notwithstanding the holding of peaceful, orderly and generally good-natured elections in a country as large and diverse as Indonesia is in stark contrast to recent violent turmoil in Thailand.

Analysts said the results would likely strengthen investor and business confidence in Indonesia, which has recorded an average annual rate of economic growth of around 7 percent over the past three years, after adjustment for inflation.

Mr. Suharto, a retired army general who turned 71 on Monday but shows no sign of ill health, is widely expected to seek a sixth five-year term next year. No serious challenger has emerged so far.

The 400 elected places in the parliament are allocated in line with the share of the vote gained by Golkar and the other two parties.

Representatives of the military, whose members do not run or vote in elections, are allocated the remaining 100 places in parliament.

# Pakistan Calls A-Plant 'Remote'

By Michael Richardson  
*International Herald Tribune*

**ISLAMABAD, Pakistan** — A nuclear power plant that President François Mitterrand of France promised for Pakistan two years ago is now a "very, very remote possibility," Pakistan's Foreign Ministry said Wednesday.

France exports nuclear plants only to countries that have adopted full safeguards under the International Atomic Energy Agency, the ministry's spokesman said.

Pakistan has said it will not open its nuclear facilities to international inspection under the IAEA unless neighboring India also agrees to do so.

Mr. Mitterrand said that the answers he gave in questioning when he was called for jury duty in 1988 in the capital murder trial of a 27-year-old black defendant.

He expressed his strong support for the death penalty, and said he would not give any weight to psychiatric testimony on the grounds that it is "just close to faith healing, as far as I'm concerned," according to a transcript of his comments in Dallas County court records.

One window into Mr. Perot's attitude toward crime were the answers he gave in questioning when he was called for jury duty in 1988 in the capital murder trial of a 27-year-old black defendant.

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# Danes' 'No' Hangs Over Ireland as Vote Nears

By James F. Clarity  
*New York Times Service*

**DUBLIN** — As usual, Michael D. Higgins, a member of Parliament, a poet and one of the most prominent and articulate figures in the country, is gripping what the Irish Establishment considers the wrong end of the stick.

After the defeat in Denmark on June 2 of the Treaty on European Union, which promises great economic benefits to Ireland, Mr. Higgins, 51, universally known in Ireland as Michael D., is still one of the few national political figures urging his compatriots to vote against the treaty in Ireland's referendum on June 18.

Polls taken before the Danish vote show that the Maastricht Treaty, named for the Dutch city where it was agreed on in December, would easily win approval in Ireland, with the support of the coalition government of the Prime Minister Albert Reynolds and the major opposition political parties. These include Mr. Higgins's own Labor Party, for which he is foreign affairs spokesman.

But the government has clearly been disturbed by the Danish rejection, fearing that if Irish voters also voted "no," the other members of the European Community would still find a way to go ahead with the treaty's provisions and that Ireland would lose influence in the Community and important subsidies.

Mr. Higgins has been careful not to plot. "As a legal document it is dead," he said. "The June 18 referendum may now be an opinion seeking exercise. But it certainly helps the 'no' vote."

Mr. Reynolds told a group of supporters from his Fianna Fail party last week: "It is no exaggeration to say that to a certain extent the future of Europe owes lies in our hands. We raise the flag for Europe. The Danes are a prosperous people. We cannot afford the luxury of a 'no' vote."

The essential argument for the treaty is that it will keep Ireland solidly in the European Community, where its membership since 1973 has produced increased prosperity, partly from trade, partly from

Community subsidies to its poorer regions.

"The question," Mr. Higgins said, "is whether this is a good version of Europe. Whether there is to be a viable peaceful next century predicated on a humanist agenda, with solidarity, with the rejection of statism, but including the insights of feminism and the ecological movement."

He also says he fears that the treaty will force the Dublin government to curb spending and borrowing for health, education and welfare.

By European political standards, Ireland is a conservative country. But it also enjoys anomalies, like Mr. Higgins and President Mary Robinson, who was the candidate of the Labor Party, which has only 15 of the 166 seats in Parliament.

Abortion has become entangled in the referendum because there is a protocol in the treaty that says the European Community will not infringe on Irish abortion law. But there is national dispute over the law, which once was thought to ban abortion comprehensively, but has apparently

been broadened by a recent Supreme Court decision. Anti-abortion groups and also groups favoring liberalization now urge a "no" vote on the treaty.

**Treaty Backing Falls**

Support for the Maastricht Treaty has fallen sharply, and almost one in three voters is still undecided, Reuters reported from Dublin on the results of an opinion poll published Wednesday.

The Irish Times poll showed 47 percent in favor, 23 percent against and 30 percent still undecided. A month ago, a poll showed voters 6 to 1 in favor.

Separately, Ireland's four main political parties have united in calling for a "yes" vote in the referendum next week on the Maastricht Treaty.

In a rare show of consensus in Irish politics, the two government coalition partners and the two leading opposition parties agreed on a joint policy statement on the vote.

"We have come together in the interests of national unity," Prime Minister Reynolds said Tuesday. "It is unprecedented."

# Top Slovak Refuses a Meeting With Havel

By Michael Richardson  
*International Herald Tribune*

**BRATISLAVA, Czechoslovakia** — Vladimír Mečiar, the Slovak leader, refused Wednesday to meet President Vaclav Havel, further hardening attitudes before a second round of tense Czech-Slovak talks.

Mr. Havel, consulting the parties that won last weekend's general election and trying to find ways to keep Czechoslovakia together, will meet Mr. Mečiar's party on Thursday.

But Mr. Mečiar, who wants Mr. Havel removed from office, will not set foot in Prague Castle. He is to hold more tough negotiations with the prime minister-designate, Vaclav Klaus, in Prague on Thursday.

"Mr. Mečiar will not be in the delegation of the Movement for a Democratic Slovakia that will meet President Havel before his talks with Civic Democratic Party leader Vaclav Klaus," Slovak spokesman Bohuslav Gied told a news conference on Wednesday.

The talks between Mr. Mečiar and Mr. Klaus, whose parties won the elections in their respective Slovak and Czech republics, are crucial for the functioning of the country before a possible break-up.

Mr. Mečiar has said he favors a reduced federal government that would run the country until a referendum decides whether both parts should go their independent ways or stay together in a loose confederation.

Mr. Klaus has stated that anything but a firm union of both parts of the country is unacceptable. He also firmly supports Mr. Havel's election next month as president.

Mr. Gied said Mr. Mečiar would not meet Mr. Havel because of political activities before and since last week's elections and his staunchly pro-federal attitude.

"Among other things we object to the president's step of asking Mr. Klaus to form a new government without consultation with the two strongest parties in the country," Mr. Gied said.

# PEROT: Civil Libertarians Recoil at Perot's 'Civil War' Plan to Combat the Use of Drugs

(Continued from page 1)

commandos to interdict smugglers, and engineered a 1988 campaign by Dallas's predominantly white police association to weaken a civilian police review board set up to investigate complaints of police brutality.

Mr. Perot's efforts have won him plaudits from many law enforcement officials and large segments of the electorate in this law-and-order state.

But his critics say his efforts had virtually no demonstrable impact on the level of drug activity in the state and, in their view, were narrowly focused on imposing draconian prison sentences without any increases in funding for either prisons or drug treatment programs.

Some minority leaders and civil liberties groups are more critical, arguing that in his anti-crime activ-

ities, Mr. Perot has displayed a penchant for inflammatory rhetoric and simplistic solutions that raise questions about how he would handle crime and drug problems as president.

As Mr. Perot has come under increased scrutiny in recent months, he has complained that some remarks on drug and law enforcement issues that have been attributed to him were misunderstood or fabricated. He has, for example, denied that he ever suggested — as he was widely quoted as saying — that minority neighborhoods should be "cordoned off" so that police SWAT teams could conduct house-to-house searches.

Those comments, purportedly made during a series of off-the-record meetings with Dallas police officers and newspaper editorial boards, provoked a storm of criti-

cism from black and Hispanic leaders here after they were first reported in 1988.

Mr. Perot's critics say such comments are not out of character. In recent interviews, Mr. Perot has repeatedly said that cleaning up the nation's drug problems "won't be pretty" without explaining what he had in mind. On Oct. 25, 1989, appearing on the NBC News program "Today," he compared the drug war to "chemical warfare on the streets of our country" and then briefly outlined his proposed solution.

"You can simply declare civil war, and the drug dealer is the enemy," he said, elaborating on the idea he had first made to the police officers the year before. "At this point, there ain't no bail. You go to POW camp. You can deal with this problem in straight military terms."

One window into Mr. Perot's attitude toward crime were the answers he gave in questioning when he was called for jury duty in 1988 in the capital murder trial of a 27-year-old black defendant.

On this day, a cease-fire has been declared to allow the Red Cross to cross the border and collect the dead. The day before, the Red Cross had retrieved 13 bodies on the Azerbaijani side. Mostly it is quiet, but from one mountain peak the Armenians said was still occupied by Azerbaijanis, shots rang out and everyone ducked.

In the bunker, which was dug earlier by Azerbaijanis, the Armenian housewife, the unshaven soccer star and the curly-headed professional soldier sit near an old mattress where, when things are quiet, they can take turns resting.

Down the road, a command post for these forces was filled with local people who have similarly interrupted their lives to fight. They have slung assault rifles over their shoulders and filled military vests with a hazy collection of war needs: knives, cigarettes, a toothbrush, grenades.

"This is not only our small fight, it is Armenia's," said David Zadoyan, 42, weary and unshaven, who is a sort of regional mayor. "We will do what is necessary."

General Suchinda, the former army commander and coup mastermind, who took office April 7, although he had not run in the election and had vowed not to become the next prime minister.

Demonstrations to demand General Suchinda's resignation and to protest military interference in politics resulted in a crackdown May 17-20 in which soldiers opened fire on crowds and angry youths.

At least 48 persons were reported killed and more than 650 wounded. But many Thai believe the real death toll is far higher.

Hundreds of people have been reported missing by their families since the crackdown, although after resigning, General Suchinda went into hiding and is believed to be staying at one of Bangkok's military bases under the protection of officers loyal to him.

While Mr. Anand's appointment as prime minister appeared to avert the immediate prospect of new protests, it was not immediately clear how the military would react to it.

Mr. Somborn expressed support for Mr. Anand and said he was "very relieved" at not having to face the difficulties and responsibilities of assuming the prime ministership himself.

He said officials at King Bhumibol's Chitralada Palace had twice confirmed his imminent appointment on Wednesday before telling him it was off.

Reportedly just as surprised was Mr. Anand, who said he had been informed of the appointment only two hours before it was announced.

ARMENIA: Guarding the Border in Ageless Conflict

(Continued from page 1)

ident, who promised to deal with the Karabakh problem. But few are predicting peace.

Now, the horrors of Nagorno-Karabakh could be repeated here in Nakhichevan — a pocket of Azerbaijan cut off from Azerbaijan by Armenia.

Recently, a battle for control of the heights here ended with an Armenian victory that further inflamed passions in Azerbaijan.

The battle also has caused an outpouring of angry words from Armenia's historic enemy, Turkey, which borders both Nakhichevan and Armenia.

Turkey has made it clear that it will not tolerate any assault on its ethnic and linguistic brethren.

So far, Turkey has confined its response to making accusations, including one that Russia is stirring things up in the Caucasus in an effort to recreate its czarist empire.

Atop the mountains overlooking the Nakhichevan town of Sadarak it seems pointless to talk of right and wrong, of who fired first. Here, too one talks about invasion, only protection against neighbors.

"We knew you were coming because they were firing at you," one of the Armenian irregulars told visitors arriving in an armored personnel carrier laden with rations of fresh bread and water.

This is a lovely place to make camp, dry and dusty, with nothing to hide behind except a few boulders and ditches dug into the reddish-brown, crumbly earth. The only protection from the summer

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### TODAY'S INTERNATIONAL RECRUITMENT

Appears on Page 4

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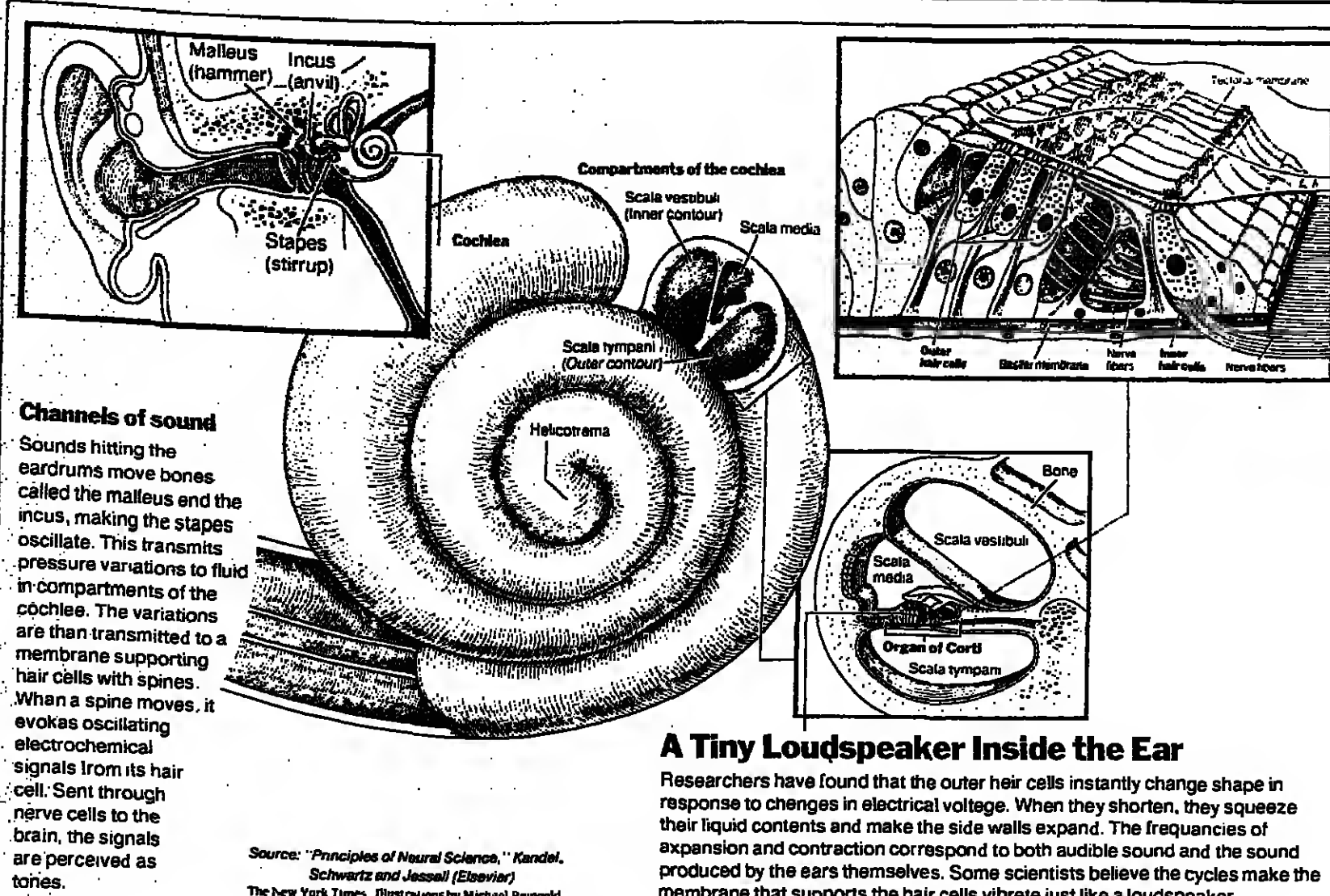
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HEALTH / SCIENCE



Channels of sound

Sounds hitting the eardrums move bones called the malleus and the incus, making the stapes oscillate. This transmits pressure variations to fluid in compartments of the cochlea. The variations are then transmitted to a membrane supporting hair cells with spines. When a spine moves, it evokes oscillating electrochemical signals from its hair cell. Sent through nerve cells to the brain, the signals are perceived as tones.

Source: "Principles of Neural Science," Kandel, Schwartz and Jessell (Elsevier), The New York Times, Illustrations by Michael Reungold

A Tiny Loudspeaker Inside the Ear

Researchers have found that the outer hair cells instantly change shape in response to changes in electrical voltage. When they shorten, they squeeze their liquid contents and make the side walls expand. The frequencies of expansion and contraction correspond to both audible sound and the sound produced by the ears themselves. Some scientists believe the cycles make the membrane that supports the hair cells vibrate just like a loudspeaker.

Self-Policing in Science

Authors Retract Study Because of Faked Results

By Natalie Angier, New York Times Service

**N**EW YORK — Using the bluntest and most candid language possible, researchers have retracted a paper published in a highly regarded scientific journal, saying that the main author of the report had fabricated his results.

The retraction throws into question a flourishing subspecialty of biology, the study of critical molecular signals that control mammalian development at the moment a fertilized egg begins its rapid growth into an animal.

The no-nonsense wording of the retraction, which appears in the current issue of the journal *Cell*, is quite unusual for an announcement of its kind. In a single paragraph at the bottom of a page otherwise taken up by a book review, the researchers, from the National Institutes of Health in Bethesda, Maryland, said their recent investigations had shown that the experimental evidence supporting the conclusions of their paper published in March 1991 "has been fabricated by one of the authors," Mitchell Rosner, and that the fraud had occurred "without any knowledge by the others."

The authors then retracted the paper "in its entirety" and apologized to anyone who might have been led astray by the chicanery.

Until recently, scientists have often couched retractions in vague terms, contending that they had been unable to reproduce previous results but stopping short of crying fraud. The latest retraction is evidence that in the aftermath of highly publicized and acrimonious cases of scientific fraud, like the incident that contributed to Dr. David Baltimore's resignation as president of Rockefeller University, many scientists are struggling to explore accusations of fraud with great dispatch, and to discuss the misconduct openly once it has been proved.

In this case, Dr. Louis M. Staudt, who heads the laboratory where the fraud occurred, said he was able to write the retraction so pointedly because he had discovered unshakable proof of doctored experiments and because Mr. Rosner, a graduate student working in his lab, had written him a letter of confession.

In essence, Dr. Staudt said in an interview, "We had caught him red-handed falsifying an experiment." The letter has not been made public.

More often, cases of apparent fraud are difficult if not impossible to prove, and researchers accused of fakery deny the charges regardless of how incriminating the evidence.

"Usually you're swimming, and you have no way of knowing if your suspicions are justifiable," said Dr. Heinz Arnheiter, a collaborator on the retracted report. "In this case, we were fortunate to have the confession, which is relatively rare."

After learning of the fraud, Dr. Staudt informed as many scientists as possible by telephone, and he immediately contacted the editor of *Cell*.

"We've had some cases of fraud handled very well and some handled rather poorly," said Dr. Benjamin Lewin, the journal's editor. This case, he said, was handled with great finesse.

By contrast, Dr. Baltimore was sharply criticized for belittling repeated accusations that his collaborator on a report that appeared in *Cell* in 1986 had faked her data. Dr. Baltimore's behavior, together with a recent federal investigation into whether Dr. Robert C. Gallo of the National Cancer Institute misappropriated samples of the virus that causes AIDS from scientific competitors in France, have raised serious questions about the ability of scientists to police their own. The latest retraction is evidence of an effort by researchers to do just that.

The paper retracted by the Bethesda scientists claimed to show that a molecule called Oct-3 was essential for a fertilized egg to begin flowering into an embryo. Other labs have been studying the factor through a variety of methods, and nobody can say how many scientists have been misled by the invented data.

"It's really surprising when a promising area of research collapses into nothing," said Dr. Arnheiter. "We're back to square one with this protein. Two years later and the problem of it is unsolved."

**M**R. ROSNER has withdrawn from Georgetown University in Washington, where he was studying for his doctorate. He is also seeking a medical degree at Harvard Medical School in Boston, and a board there is expected to decide by the end of the month whether he should be expelled. He did not return repeated telephone calls.

By all indications, Mr. Rosner fits the prototype of the cheating scientist: an exceptionally intelligent and promising young researcher who has no obvious need to commit fraud. Dr. Staudt described him as "a very bright student who had done some quite good work initially."

So successful was he in his research that in 1990, Mr. Rosner was the principal author on a major report published in the journal *Nature*, a coveted honor for a graduate student. That paper, also about the Oct-3 factor, remains valid and the results it reported have been reproduced by at least two other research teams.

Tuning In to the Ear's Own Sounds

By Malcolm W. Browne, New York Times Service

**N**EW YORK — By picking up sound and transforming it into electrochemical impulses, the ears act like microphones sending coded signals through the nervous system into the brain.

But following the discovery that ears also act as tiny sound-producing loudspeakers, scientists are encountering many surprises as they probe the mysteries of hearing.

One recent result of this rapidly developing field of research has been the invention of instruments with miniature microphones that listen for the faint sounds emitted by healthy ears.

Scientists believe these devices offer doctors a quick and reliable tool for detecting deafness, even in newborn infants, among whom deafness is otherwise hard to diagnose.

Physiologists are still marveling at the discovery that ears produce sound. "It is almost as astonishing as if the eye could produce light or the nose produce odors," said Dr. William E. Brownell of the Johns Hopkins University School of Medicine, one of the leading researchers in "otoacoustic emissions," or sound produced by ears.

frequency response might be best explained in terms of some amplifying system analogous to those used in radio receivers.

If that was the case, the biological amplifier might not only increase the intensity of electrical signals sent by the ear into the nervous system, but might also produce sound of its own.

In 1978 a major discovery lent substance to this prediction. Dr. David Kemp, an English physicist, discovered that the cochlea, a hollow, spiral-shaped bone in the skull that contains the organs of hearing, actually emits sounds. These sounds, known as otoacoustic emissions, were found to be of two types: spontaneous and evoked.

Spontaneous emissions of sound are produced by the ears of normal people from time to time for no apparent reason.

Although a microphone in the ear can clearly register such sounds, they are rarely noticed by the hearer, perhaps because the brain filters them out from the flow of signals that underlie perception.

Spontaneous emissions are apparently not related to tinnitus, or ringing of the ears, an ailment that can be caused by very large doses of aspirin, among other things.

Dr. Glenn R. Long of Purdue University says that only about 3 percent of people suffering from tinnitus are found to produce spontaneous sound emissions of their own.

The other kind of ear-produced sound, evoked otoacoustic emissions, is similar to echoes, generally somewhat distorted from the original sound. The types of distortions found in these sound emissions appear to correspond to the kind of interference patterns that occur when one sound frequency is imposed on another.

A person who fails to emit echo-like sounds from his or her ear in response to a test tone generally turns out to be deaf, or suffering from disease or the influence of certain drugs.

When a sound-producing device called a transducer is inserted in an ear canal and emits a brief click, a healthy cochlea responds a few thousandths of a second later by sending back an echo, which is picked up by a miniature microphone.

Scientists discovered that the otoacoustic echo response disappears when a person is taking large doses of aspirin, quinine, or psychoactive drugs. Aspirin, in fact, is known to cause temporary hearing loss.

Significantly, the echo response disappears a few minutes after death. This, many scientists believe, implies that the otoacoustic response is the result of active sound production, not just a passive echo of external sound.

But this hypothesis has touched off a lively debate among physicists, electrical engineers, physiologists, biochemists and acousticians as to what actually produces the sounds that come from the ear.

One group believes that there is an active, electromechanical amplifying mechanism in the cochlea, similar in principle to electronic amplifiers, that is stimulated by an alternating electrical field produced by the stria vascularis, a tiny organ within the cochlea.

A second group maintains that there is no active sound production or amplification in the ear, but that the echo results from the special acoustical shape of the cochlea.

Dr. Jont B. Allen, a scientist at AT&T Bell Laboratories, believes that "standing-wave" sound resonances in the cochlea similar to those that define the tone and loudness of sound in an organ pipe are responsible for the emissions.

At his Johns Hopkins laboratory, Dr. Brownell and his colleagues are exploring the behavior of individual cells from the organ of Corti, the central hearing organ in the cochlea. Within this organ are specialized cells, "outer hair cells," that may be the key to the mystery.

Scientists seem to agree that whatever the explanation of otoacoustic emissions may be, these sounds in themselves are not essential to hearing, but are merely ineliminable by-products of a system mammals use to tune their hearing.

Dr. Brownell and others believe that by functioning as amplifiers, the outer hair cells in a person with normal hearing help to maintain the smooth progression in perception from soft to loud sounds over their entire frequency range.

He and others hypothesize that this refinement in hearing is essential to the understanding of speech. The development of outer hair cells in the cochlea may therefore have been a major step in the evolution of humans.

Dr. Allen of AT&T and some other engineers and physicists strongly disagree with this view.

"I do not believe the acoustical evidence supports the idea of a cochlear amplifier," he said. "A lot of physiologists and biologists accept its existence, but I believe it will turn out to have been illusory as the emperor's new clothes."

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IN BRIEF

High Infant-Death Rate Reported For College-Educated Blacks

**BOSTON (Reuters)** — Babies born to college-educated blacks in the United States have a higher mortality rate than those of similarly educated whites, a finding that seems to undermine the theory that poverty and poor medical care are to blame.

The reason for the disparity seems to be that black women give birth to far greater numbers of low-birth-weight infants, but the explanation for this phenomenon remains a mystery, according to new research by the U.S. Centers for Disease Control.

Overall, black babies in the United States have a far greater infant-mortality rate than white babies, a fact that doctors have long believed is due to access to good care. But the new study, in the *New England Journal of Medicine*, shows that even when poverty is no longer a factor, black babies still have a higher death rate.

Morning Sickness May Protect The Embryo, Biologist Finds

**BERKELEY, California (Reuters)** — Morning sickness is not just an accidental by-product of pregnancy, but the body's way of protecting the embryo from toxic food, according to a new book.

A University of California biologist, Margie Profet, writing in "The Adapted Mind" to be published this week by Oxford University Press, says morning sickness deters women from eating foods that might cause birth defects or aborted pregnancies.

"If you didn't have it you could be eating too many natural toxins in food and aborting your embryos," said Dr. Profet.

Dr. Profet points out that the first trimester of pregnancy, when morning sickness usually occurs, is also when the embryo is most vulnerable. Morning sickness is like an alarm system warning women not to

cat foods that could damage the embryo, she said. These include spices, pungent vegetables such as Brussels sprouts, and fried foods.

Clogged Waters but Clearer: Zebra Mussel Beating a Bad Rap

**WASHINGTON (WP)** — There is good news about the zebra mussel, the striped mollusk that has colonized the Great Lakes and nearby waters and become a major nuisance by clogging water inlets.

In the four years since they first showed up — probably as hitchhikers on freighters from Europe — the tiny creatures have become so numerous that their method of feeding by filtering water is cleaning up the long-polluted lakes.

"A single zebra mussel filters as much as a quart of water a day," said Edward L. Mills, a biologist at Cornell University. Dr. Mills said Lake Erie was becoming visibly clearer as a result.

Neutrino as Elusive as Ever, U.S.-Russian Research Shows

**WASHINGTON (WP)** — Hope that Russian-American observations at the Baksan observatory inside a Caucasus mountain might resolve a long-standing puzzle as to the energy source of the sun has been dashed.

A detector consisting of 30 tons of gallium has failed to record the particles that should be reaching Earth as primary by-products of the energy-making process. The missing particles are neutrinos, the most elusive of all nuclear particles.

They should be produced by a variety of reactions in the core of the Sun and attempts to detect some of them were begun in 1968 by Dr. Raymond Davis Jr., then at Brookhaven National Laboratory at Upton, New York, inside a South Dakota gold mine. So few were observed that a number of other observations were undertaken, but failed to find the predicted rate.



# Herald Tribune

Published With The New York Times and The Washington Post

## High Stakes in Bosnia

There are many people in the West quick to lament the dismemberment of blameless Bosnia — but just as quick to shun meaningful involvement in the complexity of Balkan politics. Let them listen to the cellist. In a haunting report from the rubble of Sarajevo, John Burns of *The Times* told of Vedran Smailovic, who at 4 P.M. every day brings his chair and cello to the middle of a deserted street and, with Serbian shells crashing down, plays in memory of innocent victims. Would that Western leaders, most notably President George Bush, heard his song or shared his courage.

Unless they do, more than Sarajevo or Bosnia will die. By dithering, the West surrenders to murderous — and contagious — lawlessness. By saving Bosnia, the West can save the postwar peace.

Europeans and Americans believe they learned a bitter lesson from the 1930s when they let a dictator get away with naked aggression and "ethnic cleansing." Then, to outlaw aggressive war, they built forceful structures like the United Nations, the European Community and NATO.

## Rio's Deeper Message

For President George Bush and the United States, the UN environmental conference in Rio de Janeiro is turning into a huge fiasco. The Americans have got themselves entirely isolated and are now publicly browbeating small countries such as Austria and Switzerland for supporting positions that embarrass the United States. It is a display of deft diplomacy. But it is also a display of a gigantic meeting, either.

The Rio conference is important because it marks the point at which just about all of the world's governments have acknowledged, at least in principle, that they can deal with their deepest environmental concerns only by working together across borders. That means sending resources — money, such as technology — from the rich countries to the poor ones in exchange for more effective conservation and pollution control. The terms of that exchange are far from clear, even in the treaties now before the Rio conference. They raise issues that are much more difficult, and more interesting, than the bickering over American tactics might suggest.

At Rio the Bush administration wanted, above all, a world agreement on management of forests. There are two especially compelling reasons for international action to preserve forests: to protect the diversity of life that inhabits them and to help stabilize the global climate. Since the adminis-

tration flatly refuses to have anything to do with the two treaties at Rio on biodiversity and global warming, it is not surprising that Third World governments suspect the United States of trying to impose its own interests on them without committing itself in return to anything more than a modest amount of foreign aid.

But it is not only Mr. Bush who thinks that the biodiversity treaty is flawed. There is a respectable argument that it would transfer money much too loosely and jeopardize established patent rights. Unfortunately the administration has not bothered to make that case. Instead, led by the president, it has been playing up to that part of its constituency that regards the whole environmental movement as little more than a left-wing invention to hobble economic progress.

The administration's performance has distracted attention in America from the chief purpose of the conference. The chief purpose is not to examine inept U.S. tactics, or even to debate the prospect for global warming. It is to consider the terms of life on the planet over the next generation and to search for ways to keep a bugily expanding population, scrambling for a better life, from making life much worse for everyone in rich and poor countries alike. That is not a new concern, but in the 1990s it is getting more urgent.

— THE WASHINGTON POST

## 66 Million Handguns

It is strong, it is drastic and it is a serious response to the constant terror of gunfire that grips more Americans every day; Senator John Chafee, a Republican of Rhode Island, is proposing a national ban on the sale, manufacture or ownership of handguns. "I hear people say it's a radical proposal," the senator said. "Well, I think to have the current situation is what is radical. No other country has anything like it."

This situation is nothing less than slaughter by concealable firearms — killing in record numbers, threatening education and pushing the high costs of health care even higher. The already immense number of handguns in the United States — currently 66 million — is rising by a stunning 2 million every year.

Mr. Chafee's bill would establish a grace period during which handguns could be turned in to any law enforcement agency for reimbursement. There would be exceptions for federal, state and local law enforcement and military agencies, for collectors of antique firearms, for federally licensed handgun sporting clubs operating under certain safety procedures, and for security guard services and licensed dealers, importers or manufacturers that are determined to be serving these needs.

It is safe to say that the senator's bill will

spark no stampede of colleagues to co-sponsor it. The National Rifle Association's all-guns-are-great lobby will have a field day with it; too, no doubt it will cite its longtime belief that all proponents of efforts to stem this country's incredible traffic in firearms are part of a movement to disarm loyal citizens, overturn the constitution and ensure the absolute power of any crazed government to stomp on a helpless citizenry.

Moreover, gun-control advocates who believe in more moderate measures — such as waiting periods on handgun purchases and bans on the sales of assault weapons — are worried that the new proposal will hinder their efforts.

But there is no reason for any thoughtful lawmaker to forsake immediate, workable measures already before Congress merely because another proposal has been introduced. Besides, why should this country load up on concealable weapons?

"Unless we get handguns off the street, out of homes and out of schools, we will continue to kill ourselves in larger and larger numbers, at younger and younger ages, and at greater and greater human and financial cost," Mr. Chafee says. In all too many neighborhoods across the country, the senator's words are not speculation, but cold fact.

— THE WASHINGTON POST

## Other Comment

### Is This All the UN Can Do?

Blue beret soldiers are due to "secure" the airport of Sarajevo, so that at least food and medicine can be taken into the city. This is the way the UN Security Council wants it, as does apparently the rest of the civilized world, which has watched for two months as an entire city was being destroyed. Of the 500,000 inhabitants, 350,000 have already fled; the others would do the same if they could. But the Bosnian capital is surrounded by Serbian irregulars. Will the UN troops be able to carry out this task? No. Blue berets do not fight; they can only secure what has already been carried out, that is, monitor (an eventual) cease-fire.

— Süddeutsche Zeitung (Munich).

NATO's 16 member states say they are prepared to send alliance forces outside their traditional defense area. But they will consider doing so only if there is a European consensus. NATO would also insist on using its troops as a peacekeeping force, not a peace-imposing one. And a firm armistice would have to precede intervention. Even then, many NATO members would likely be reluctant to send their forces into a potential quagmire. There is, then, somewhat less to NATO's decision than might first appear. It is still not ready to act. This is understandable; clear signs of public support before taking bold actions. Meanwhile, though, the bloodletting in Bosnia goes on.

— The Los Angeles Times.

## Better This Step Back Than a Rush to Unite

By William Pfaff

PARIS — Nationalism is not automatically a bad thing. National feeling is an essential element in the sense of social identity people possess central to their individual security and equilibrium.

Challenge this identity and you make trouble. You risk provoking a violent reaction. The "destructive nationalism" displayed in the Balkans today and in the ex-U.S.S.R. is not the product of confident peoples but of those who believe themselves threatened. These are frightened nations.

The Serb dissident Bogdan Bogdanovic, former mayor of Belgrade and former member of the Serbian Academy of Sciences, calls Serbia's attempt to create a Greater Serbia a result of the Serbs' "ancient resentments, lost battles, historical frustrations."

Nationalism is a force to be treated with great caution. It is a bad mistake today for leaders of the European Community to treat ratification of the Maastricht treaty as the sole alternative to a European plunge into new wars of nationalism.

Chancellor Helmut Kohl, commenting on Denmark's rejection of the treaty, said that if what the Europeans "undertook in Maastricht fails and we don't achieve European unity in the last decade of this terrible century, then we will revert to nationalist disputes in Europe next century."

Germany wants the other 11 members of the European Community to press on with ratification of the treaty, even though the rationale for doing this remains confused. Technically, if the treaty is rejected by any one

of the Community's members, it has failed. The others now are talking about going ahead without the Danes, or asking the Danes to reconsider after all the rest have ratified. However, it is not certain that all the other 11 members of the Community will in fact accept the treaty.

This writer has for more than a decade argued that ambitious programs of European political federation are a threat to the organic development of European unity and could actually set unity back. That is what has happened with the Danish referendum. The Danes did not reject "Europe." The majority of Danish voters rejected a series of measures of further international integration that they considered threatening to their national identity. This has nothing to do with wars of nationalism.

The unification of Europe has developed through steps taken from the bottom up, making practical changes that obviously were to the benefit of all. Nearly all of these changes have been economic in character, and have produced practical cooperation tending toward greater European political integration. The program to create a Single European Market by the end of this year has been a triumphant case in point. The goal is to remove all barriers in the Community to free trade. Doing so inevitably has meant a major bringing-together of the Europeans in the way they run not only their economies but their societies.

The Maastricht treaty broke with this way of doing things. It set highly ambitious, and quite unrealistic,



By IAS in Teuchocum (Athens). C&W Syndicate.

goals of common political and military policy-making and action by states with radically different political histories, traditions and views of their role in international society.

The inability of the European powers to agree on what to do about Yugoslavia demonstrated the problem. Everyone agreed on what they wanted for Yugoslavia. It was that that country live in peace with one another, develop economically, eventually join the Community and become part of the new Europe. Whether the Yugoslav peoples did this as a unified state or as a group of new national states was of no great concern to the other Europeans.

What the Europeans could not agree upon was how to deal with the Yugoslavs once the country began to break up. There was a failure of method, not a disagreement on objectives. This failure reflected differing appreciations of what was going on in Yugoslavia and disagreement on the consequences of

supporting break-up by recognizing the new states or attempting to hold the federation together.

This is the kind of problem no Maastricht treaty can resolve. It will be moderated through the growing practical cooperation of the EC governments over the years, but it is difficult to imagine it ever completely solved. The Dutch way of looking at the world is not and will not become the French or Portuguese way. The Danish outlook is not Germany's. This will not change for a long time.

Since 1945 Western Europe has worked assiduously to respect and protect the identities of its individual states through structures of mutual security and economic integration, producing collective prosperity as well as belief in a collective European identity that coexists with national identity. The Maastricht treaty attempts to impose unity in areas where unity has not yet developed naturally. That is why the Danes rejected it.

International Herald Tribune.  
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## Russia's View of the Summit? More Modest

By Jim Hoagland

MOSCOW — The ceiling of Andrei Kokoshin's new office in the Russian Pentagon planes toward celestial infinity. The far wall glimmers on a distant horizon. In this quiet vastness he sits, surrounded by electrically powered sliding maps on which Soviet field marshals once projected their most secret Cold War visions and plans.

The beginning of democracy in Russia and the end of the Cold War have propelled Mr. Kokoshin, a civilian — more precisely, an intellectual and reform advocate — into this cavernous office where he reigns as the deputy defense minister of Russia.

In these chaotic days of preparing for the first serious U.S.-Russian summit meeting, of mounting brushfire war on Russia's rim and of launching a painful conversion of defense plants to civilian production or bankruptcy, this title grants Mr. Kokoshin the right to wrestle with the world's biggest, most explosive military problems almost alone.

Russia's Defense Ministry, which oversees an army of more than 2 million, "consists of about 25 people right now — the minister, me and our personal staffs," a harried Mr. Kokoshin said. He and his boss, General Pavel Grachev, a decorated combat veteran, were appointed by President Boris Yeltsin a month ago.

The creation of the Russian Defense Ministry shows that Mr. Yeltsin has given up on the military structures of the Commonwealth of Independent States, the fig-leaf organization created in December to mitigate the Soviet Union's disintegration. Less clear is the meaning of Mr. Yeltsin's decision to break precedent and name a civilian to the No. 2 job in Moscow's defense establishment.

Mr. Kokoshin suggested in our conversation that it will not dramatically change Moscow's

positions on arms control. American officials who hope the Yeltsin-Bush meeting in Washington next week will bring movement toward abandoning the 1972 Anti-Ballistic Missile Treaty and Russian acceptance of strategic missile defenses will be disappointed, he said.

The summit should concentrate on more "practical" steps such as agreement on a joint early-warning radar system to detect missile launches from third countries. Agreement is near on such an accord as the major arms-control component of the summit, Mr. Kokoshin indicated.

"Linking our two systems could save us both a lot of money and a lot of effort," he argued. "It will give us greater political military confidence in each other and greater technological understanding of systems that are similar but particular." Beginning with the introduction of "some kind of modems" that would permit instantaneous U.S.-Russian data exchanges, "we could move toward a joint center" to run an integrated radar network.

"It is too early to talk about future cooperation on strategic defenses" as U.S. officials want, he added. "We should not be in a great rush to amend the ABM Treaty. We in Russia have too much experience in dismantling things before creating new ones."

Instead, Mr. Kokoshin hopes that the summit meeting will produce progress on new limits on anti-submarine warfare, an area the United States dominates. He also hopes it will produce "the serious discussions on a comprehensive nuclear test ban treaty the United States has promised in the past" because "the time has come."

Mr. Kokoshin advocated these same proposals when he was the second-ranking official in the U.S.-Canada Institute in Soviet days. This continuity and the Kokoshin family's prominence in Soviet military history helped win him the grudging limited acceptance of the generals and colonels democratic Russia inherited.

Mr. Yeltsin seems to have seriously considered putting Mr. Kokoshin in charge of the ministry. Mr. Kokoshin had rallied to the Yeltsin camp early in the conflict with Mikhail Gorbachev and went to Mr. Yeltsin's headquarters to help resist the counter-revolutionary coup last August.

But the military establishment insisted on a military man like General Grachev. General Dmitri Volkogonov, perhaps Mr. Yeltsin's closest military adviser, told me: "The transition period of military reforms will last four or five years. We will arrive at a point where the defense minister can be a civilian. One half of the ministry staff will eventually be civilians. But during the transition period the minister will continue to be military."

During the transition period the ex-Red Army is due to be cut in half and to complete its strategic retreat from Central Europe, the Baltics, Central Asia and the Caucasus. To manage such a vast withdrawal is a harrowing task any time. To do it as your domestic economy and political structures have collapsed around you is to court military revolt.

That is a central reason Russia arms-control proposals will look modest — "practical" as Mr. Kokoshin puts it — at the Washington summit meeting. Americans should not be disappointed.

The more pressing military tasks for the Russians are at home. Those are to continue and control the retreat from abroad and to entrench civilian command over a military machine cut adrift from privilege and purpose. If the summit contributes to that result, it will be a success.

The Washington Post.

## Russia and East Asia Have a Security Deal to Make

By Gerald Segal

LONDON — Hardly a day passes without one faction or another in Moscow meeting to formulate a new Russian national interest or foreign policy. Other teams are hard at work defining Russian military doctrine and troop deployment. But one conclusion is already clear: The Russian bear, as one Japanese official put it, will face Europe while showing its rear to East Asia.

So before optimism sets in about Russian policy in the Far East, especially about a possible breakthrough in relations between Moscow and Tokyo, the harsh realities of Russian

foreign policy need to be confronted. The non-Russian republics of the former Soviet Union in Europe pose the most immediate challenge to Russian interests. West European nations are the most likely trade partners for a reformed Russia. The Caucasus and Central Asia also worry Russian planners, but in East Asia there is little immediate threat and only more distant opportunity.

The result will be, at least in the medium term, a much decreased Russian political and military presence in

East Asia. However, there will be increased opportunities for shaping a regional security building process.

The most obvious evidence of a reduced Russian presence is emerging in the military realm. The number of major surface ships in the Russian naval fleet in the Pacific is down 20 percent from a year ago. Most vessels there no longer leave port because of a fuel shortage and lack of manpower.

Russian officials are assuming that by the time the armed forces are cut to 1.5 million men later this decade, only 250,000 men and half the current number of ships in the Pacific fleet will be deployed in the Far Eastern area of Russia. Russians are debating the impact of this.

The military high command in the Russian Pacific contains some of the most conservative forces in society. Nonetheless, there is an emerging consensus that there are good prospects for closer cooperation with the U.S. Navy as the former superpowers start to worry more about the risks of regional powers emerging in Asia.

Discussions between the two sides have taken place about possible cooperation in decommissioning nuclear systems of the Russian military in the Far East, as well as in efforts against piracy and drug-running.

But there are major uncertainties for Russia in the diversity of East Asia. While a united Korea would be useful, it might have less money to invest in the Russian Far East than South Korea alone would have. Reunification can be expensive.

Good relations with China would allow Russia to focus on Europe. Moscow and Beijing also have a common interest in working together to control Islamic forces in Central Asia. But the Russians have a visceral fear that the Chinese want to regain lost territory from Russia.

Perhaps the most difficult choices for Russia concern Japan. Russian nationalists argue that the disputed Kuril Islands should not be returned. The Atlanticists in the Russian foreign policy team maintain that there is less need to make territorial concessions to Japan because Tokyo is already providing funds for Russian reconstruction as a G-7 member.

On the other hand, Asian specialists in Moscow assert that after losing much of the outer empire in the breakup of the Soviet Union, a few more islands in the east will be well worth

the prize of major Japanese aid. But all these Russians agree that the key to a deal depends on domestic politics. A confident and successfully reforming Russia will be more able to strike a deal. Still, few expect such progress by the time President Boris Yeltsin visits Tokyo in September.

The best guide to the future might be a historical analogy to the period after the Russian Revolution in 1917. Then, as now, domestic events in European Russia determined the fate of Russia in the Pacific. Domestic divisions were so deep that the Far East was even able to form its own republic for a time. Because China was in turmoil and the United States had retreated into isolation, Japan was able to seize opportunities in East Asia.

Conditions now are different. But one of the best means of ensuring that history does not repeat itself is to move to build multilateral security arrangements. With a much reduced Russian military presence, and a power vacuum that has yet to be filled, a window of opportunity is open.

The writer is a senior fellow at the International Institute for Strategic Studies and editor of *The Pacific Review*. He contributed this comment to the *International Herald Tribune*.

The Washington Post.

## It Might Be Just the Job For NATO

By Frederick Bonhart

BRUSSELS — Scenes of violence in Southern and Eastern Europe and appeals for help from beleaguered populations are putting increasing pressure on Western statesmen for military intervention. People now look to NATO as the only international military organization capable of carrying out such operations.

At their recent meeting in Oslo, the alliance's foreign ministers cautiously agreed to support peacekeeping activities under the responsibility of the Conference on Security and Cooperation in Europe. But diplomats stated categorically that there was no question of direct intervention, that is, of peacekeeping.

The dividing line between the two, however, is a fine one. Any major military operation, even if planned to provide only local protection, is liable to escalate into full-scale battle and lead to a confrontation indistinguishable from war.

Unlike the UN's lightly armed multinational peacekeeping troops, who can act locally only with the agreement of the parties in dispute, NATO is a powerful organization with integrated military forces that are capable of fighting a major war. NATO forces are highly trained, well disciplined and equipped with the latest in weaponry.

The Allied Rapid Reaction Corps, being set up by NATO military authorities under the new strategic concept, is due to be operational by October, though this could be accelerated. With the expertise acquired in the Gulf, it would be the obvious instrument for external action. Member nations could supply formed brigades and divisions, and a multinational force could be available at fairly short notice. Highly mobile and flexible air and naval forces could be committed even more quickly.

It must be understood that if such forces are engaged, there can be no limit to their commitment. Isolated operations may achieve temporary success in clearly defined actions, and thus have a convincing deterrent effect. But, if challenged by continued resistance, peacekeeping would turn into peacekeeping — and a lengthy and costly conflict may result.

It would be possible, for instance, for allied forces to occupy an international airport like the one at Sarajevo with the agreement of the authorities of the parties in dispute. If they were then attacked, their forces would have to destroy attacking aircraft and suppress any artillery positions that were bombarding them.

Similarly, allied naval units could intercept supplies of arms, ammunition and other embargoed goods; they could engage naval raiders that were blockading or terrorizing cities. Inland, allied armored patrols could protect aid workers, observers and supply lines by establishing, securing and safe corridors, while heavier formations would be ready to counter insurgent forces attacking protected areas.

Such actions may succeed in impressing populist leaders, but only if they see that they are losing their popular support. If so, the deterrent effect will have been conclusive and the basis for a permanent settlement established. But they may, conversely, fan emotions in the name of national liberation against outside oppressors.

In a territory like Yugoslavia, this could result in a prolonged and bloody struggle with high human and material costs. This would present a political problem to the national leaders of the alliance.

Experience is highly relevant: Note the cases of the UN intervention in the former Belgian Congo, the United States in Vietnam and the Soviet Union in Afghanistan, all of which failed to achieve their aim in spite of the heavy costs.

The civilized world is rightly shocked by the bloodshed and destruction in Yugoslavia. If it decides to intervene, however, it should be aware that such intervention is open-ended. It is never safe to predict the outcome of a war, but it is an axiom that only the unmistakable will to see it through to its ultimate end can be effective.

The writer is editor of NATO's *Sixteen Nations*, an independent military journal published in Brussels. He contributed this comment to the *International Herald Tribune*.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1892: Clashes in Spain

BARCELONA — A state of siege has been proclaimed here in consequence of the collisions that occurred today [June 10] between police and workmen on strike over a pay raise. This evening shots were exchanged between police and the strikers and several persons were wounded in the clash. The Bishop of Calahorra has been stoned by the strikers, who declare such terrorist measures will continue until their cause is won.

### 1917: Message to Russia

NEW YORK — President Wilson's message to the Russian Government has been handed to the Minister of Affairs in Petrograd by the American Ambassador. "The position of the United States in this war has been so clearly defined that there is no excuse for misinterpreting it. No people should be forced to accept a sovereignty it does not desire and no territory should change hands except to

procure to people who dwell therein liberty and development. We are fighting for peoples' right to govern themselves. This conflict must be considered from that point of view."

### 1942: Tragedy in Lidice

BERLIN — [From our New York edition:] All men in the Czechoslovak town of Lidice have been shot, the women sent to concentration camps, the children placed in "appropriate educational institutions" and the town itself "levelled to the ground" on the charge that the population gave shelter and assistance to the assassins of the Nazi leader Reinhard Heydrich, known as the "Hangman." Berlin radio announced tonight [June 10.] Victim of the most savage single act of repression in the history of German occupation of continental Europe, Lidice was a village of 483 coal miners a few miles from Prague when Heydrich was fatally wounded while driving along a winding road two weeks ago.

Rub O And L W



OPINION

Rub Out the Rule-Writers And Let the People Rule

By George F. Will

WASHINGTON — Well-tailored and well-intentioned, the very proper, Maurice Strong, impresario of the Rio "Earth Summit," intoned: "We have been the most successful species ever. We now have a species out of control. To which a healthy response is: Damn right, and we're determined to stay that way. A burgeoning international bureaucracy of rule-writers wants to control the species in the name of that sentimental fiction, the "international community." Their mission is to move nations "beyond sovereignty," using multilateral agreements couched in broad language, the effect of which will be diluted sovereignty and abridged liberty. How much dilution and abridgment will be decided later, by the authors. The rule-writers of Rio fancy themselves the wave of the future. Actually, they are a late-20th century gasp of a late-19th century invention, bureaucracy. A harbinger of the future may be the mouse that recently roared, Denmark. Friends of freedom owe much to the 46,269 Danes who made the difference in the glorious defeat — 50.7 percent to 49.3 percent — of the Maastricht treaty. Denmark's political class casually submitted the treaty to a popular referendum, assuming perfunctory ratification because mere citizens would not have the impertinence to reject what "progressives" consider self-evidently desirable: Europe's political and economic union. The "deepening" of the European Community — meaning deepened submission of nations to the Brussels bureaucracy — has become, like environmentalism, another value invoked to justify more bossiness by government. Behind the fog of Euro-jargon about "harmonization" and "coordination" there is the spirit of soft statism. Its goal is to suck toward the center — to Brussels — powers and rights hard-won over centuries by national parliaments. The casualties of this centralization include government by representation and consent. Centralist forces are being felt in the multiplying fragments of the Soviet Union and Yugoslavia, in Czechoslovakia, in Scottish nationalism and Quebec separatism — and in northern California and southwestern Kansas. Two weeks ago, 27 rural California counties approved a nonbinding (but intensely cathartic) measure endorsing secession. They say Sacramento is a dis-



The Leadership Vacuum

Beginning with Theodore Roosevelt, an American majority felt that government needed strengthening because it seemed anemic compared to the institutions and problems of industrial capitalism. However, on the eve of the 21st century, American opinion is that government is now overdeveloped, and is decreasingly competent and increasingly costly to freedom. The mood of people from Copenhagen to California is that we are the most successful species because the recent controls. Having escaped from the control of kings and priests, we are not going back to control, this time by bureaucrats. The species is most successful — morally as well as materially — when resisting permeal of life by political regulation. Washington Post Writers Group.

When the Rapture Defies the Decay

By Francis X. Clines

NEW YORK — "I was explaining to you about the rapture," the tall, Bible-toting black man suddenly announced, standing solemn as Socrates within the Lexington Avenue locale as he moved through another day of subway proselytizing. "What is the rapture?" the handsome, thin-faced man asked rhetorically of riders eluding fervidly to their various intentions. The doors slid shut and he rode on out of the station with his answer lost in the steady noise of the city. The passing reminder that there might be rapture for someone that there might be New York, and that a man felt compelled to tell about this, was weird welcome enough for a reporter returning home to the city after 13 years. On renewed sight, the city seems as good and sad and true as ever, when viewed in all its shards, and the search for rapture is understandable. The city remains regenerative in a certain ruthless way, as out in the marshes beyond the runways of Kennedy International Airport, where the Norway rat breeds better than the snowy owl in the Jamaica Bay Wildlife Refuge. There, Don Riepe, city born and bred in the Queens Park shadows of Aquehead Race Track, has chosen a strange life in the city, reigning as chief ranger for the wildlife refuge. In this job, he attends to such minor poetic joys as helping his fellow ranger, Bob Cook, cart garter snakes and green snakes back from suburban development tracts to the 9,000-acre marsh-

land refuge in Queens County, where such snakes were last seen bying from vacant lots when the postwar building boom finished off the borough's last green swatches four decades ago. In the magnificent National Park Service refuge, where a lethally beaked greener yellowlegs can pose still and graceful as the World Trade Center on the western horizon, Mr. Riepe watches for warblers, crows and ospreys. Then again, he occasionally spies a floater, a human corpse dispatched by killers in the underworld to bob amid the bay reeds. "At least 8 in the past 12 years," Mr. Riepe says, as if there were a special New York fauna, *corpus urbanus*, to be tallied along with the even rarer sooty tern and the rufous-necked stint. He speaks with a Queens accent that sounds refreshing from someone in a traditional ranger's uniform who wants no part of working the Rockies or any other great outdoors beyond the city's wildlife preserve out where the A train ends. "When I want to get away from this I go flamenco dancing in Manhattan," says the ranger. He really is known for organizing flamenco dance exhibitions with fellow enthusiasts at such Queens places as Danny's Szechuan Garden on Cross Bay Boulevard. So goes the ranger's rapture. Further west along the city shore, other humans team differently on a hot and sunny day out along the old Steeplechase pier on Coney Island off West 17th Street. They are crabbing with chicken legs as bait and with boomboxes full of Latin music to spice the city's ebb tide. To a returning New Yorker, the scene contains the reassurance that the pier retain the knack for having more varied public fun together in larger crowds of far more rambling families than the rich usually do. They dance on the pier in different groups to different songs, cooking sizzling dishes above the ocean. They gaze cheaply in the breeze at their own illicit gambling tables, queching thirsts with cold beers and elaborate rum and fruit punch drinks made by a happily profiteering vendor tending bar from a converted Good Humour cart. Nostalgia has long since ravaged Coney Island, with woods lushly growing up a rusted roller coaster that stands oddly amid the later world of public housing.

LETTERS TO THE EDITOR

From 'Caring' to Doing: Regarding "Convince These Americans That Bush Is Their President," (Opinion, May 18) by Paul Tsongas: Mr. Tsongas, beginning with the reasonable premise that infrastructural economic changes — including the creation of new jobs through a combination of governmental intervention and private investment — will help alleviate inner-city poverty, concludes by saying that improvements will only become possible if the president shows he cares. The United States thus is given the dubious honor of having one of the rare governments that is considered to function most efficaciously when being sentimental. While he proposes optional corporate giving to provide for "all kinds of social needs," Mr. Tsongas, a former candidate for the Democratic presidential nomination, neglects to mention the role governmental policies had in the creation of the inequalities in the first place. One could assume from his argument that corporate money is the true source of happiness and that the poor have nothing better to do than wait for someone rich to come and shower affection on them. Has the lesson of the Los Angeles riots been lost even on the opposition in the United States? Where are real solutions? KENNETH M. BLUESTONE, Paris. Don't Mix Money and Genes: Regarding the report "Gene-Altered Food, Rightly Spliced, Gets Official Go-

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INTERNATIONAL FUNDS

Table listing various international funds with columns for fund names, currencies, and dates. Includes sections for 'Other Funds' and 'INTERSTRATEGIE'.

Table listing various domestic and international funds with columns for fund names, currencies, and dates. Includes sections for 'Other Funds' and 'INTERSTRATEGIE'.

50 YEARS OLD... Tragedy in Life... People who deal with... This is a section of text on the left side of the page, partially overlapping the fund listings.

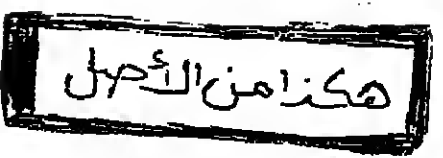
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INTERNATIONAL MANAGER

Executive Stock Options: Now, Rain on the Parade?

By Diana B. Henriques

NEW YORK — Stock options are emerging as the latest lightning rod in the continuing storm over U.S. executive pay.

Critics of excessive executive pay have long lobbied for greater reliance on stock options because they put chief executives in the same boat as shareholders.

If the stock price goes up, everybody in the boat is rewarded. If it does not, the chief executive suffers along with everyone else.

There are a thousand variations.

When one research firm recently examined how executive pay affects stock prices at several large companies, it found that the use of options can dramatically reduce the harm.

It may be that stock options are a better form of excessive compensation than cash, said Graef Crystal, an industrial relations professor at the University of California at Berkeley.

But that does not mean options cannot be abused. Advocates do not simply argue that options are a more palatable form of executive pay, of course. A number of executives told the Senate Finance subcommittee on taxation that in the beginning companies rely heavily on options to reward and retain workers in their cash-less years.

Mr. Crystal countered that some high-tech companies were undermining their own arguments by playing games with those options.

ONE COMMON PLOY, he said, was to reprice a chief executive's older options to reflect stock declines.

"When we not only give you new options at the lower price, we also call in your earlier options and lower the exercise price on those," said Mr. Crystal, "you've got a real money machine."

One development that would change the way corporations view stock options is an accounting change. The Financial Accounting Standards Board is devising rules that would require corporations to reflect on their books a value for stock options granted to executives.

Timothy S. Lucas, of the standards board, pointed out that company books were now prepared as if options to executives had zero value — "and no one here assumes the value of an option is zero."

One obstacle to establishing new rules is that corporations have been so creative. "We're gaining on having a consensus on how to account for a plain-vanilla stock option," said Mr. Lucas.

But there are a thousand other variations.

Mr. Crystal said in the ways options were being abused, they aligned the executive interest with speculators, not with the long-term investor.

But at least options do less damage to stock prices than other forms of pay, said Donald W. Mitchell, managing director of Mitchell & Co. His research firm analyzed four large public companies, each of whose share price is sensitive to different financial factors.

It found that in every case compensation paid to executives in cash hurt the share price more than an equivalent amount in options.

For example, Avon is a stock whose price is chiefly sensitive to changes in earnings per share, Mr. Mitchell said. He calculated that the stock's sensitivity to earnings was such that "every dollar paid out in cash, on an after-tax basis, costs shareholders 11.7 times that in its effect on their stock price."

Mr. Crystal has a modest proposal that would render options more to his liking, one that he said some companies are already using: "You set the exercise price for the option much higher than the current price. And you don't cut that price, even if the stock price falls. If you do that, you start getting close to options being a true reward for long-term performance."

Robertson Abandons UPI Offer

Threat of Closure For News Agency

By Paul Farhi

WASHINGTON — United Press International lost what may have been its last chance for survival Wednesday, when the religious broadcaster Pat Robertson unexpectedly withdrew his \$6 million offer for the wire service.

UPI executives said they had resumed talks with other potential investors in an eleven-hour effort to save the company. But Pieter VanBennkom, the UPI president, told staff members in Washington that he would not rule out shutting down the 85-year-old company as soon as Friday.

Mr. Robertson had emerged as UPI's would-be savior last month when the wire service was auctioned by a bankruptcy court judge. A company that Mr. Robertson controls, U.S. Media Corp., was the only bidder that offered to buy all of UPI.

U.S. Media's \$6 million offer was contingent on a review of UPI's books, and Mr. Robertson told a packed news conference in Washington that reviewing the long-troubled wire would have been more expensive than he had realized.

He said his advisers estimated it would take an investment of \$31 million during the first 18 months, with no guarantee of a turnaround.

"It's with great personal regret that I say the economics, for us, don't make sense," said Mr. Robertson, a 1988 Republican presidential candidate who has built a thriving media empire with his Christian Broadcasting Network and Family Channel cable television network.

Mr. Robertson cited UPI's declining subscriber base as a prime reason for not going ahead with his offer, saying that even CBN had recently canceled its news reports.

He said he would still like to buy UPI's name and some of its smaller assets, such as its radio network and picture archives.

[Later, creditors said they rejected a \$500,000 offer by Mr. Robertson for the UPI name and two photography-related assets. Reuters reported from New York.]

But those steps are unlikely to quench UPI's desperate thirst for cash. UPI told a bankruptcy court in late April that it would be unable to pay its 500 employees without a court-supervised sale by mid-May. Robertson has kept UPI afloat during the period.

See UPI, Page 12

Fit Brokers Thrive in Tokyo

By Steven Brill

TOKYO — A few years ago, when Tokyo was emerging as one of the world's major financial centers, along with New York and London, foreign brokers age houses were clamoring to fill expensive offices with well-paid staff and spend millions to buy seats on the stock exchange.

The collapse of the Tokyo stock market, which has lost nearly half its value over the past two-and-a-half years, has devastated trading volume and triggered a process of natural selection. Quite fit are the well-capitalized companies with diverse product lines and skills in arbitrage, by which traders seek to exploit short-lived price discrepancies among various markets.

But many that are dependent on commissions from stock trading, where volume has fallen by two-thirds, are thinking about survival. Some trading rooms are said to be nearly devoid of activity. Facing the prospect of years of losses, some are withdrawing, despite the disgrace that engenders in Japan. Most, however, are hunkering down.

"Many companies are downsizing to skeletal operations," said Bradley J. Treadwell, a partner in charge of Arthur Andersen & Co.'s Capital Markets Consulting Group. "They hope to survive until the market comes back in two to three years."

Hoare Govett Japan Ltd., which has lost money for years, recently said it planned to close its Tokyo office. It joined a host of others, including Banca Commerciale Italiana, Chemical New York Capital Corp., Geneva SA, Morgan Grenfell Japan Ltd., and Chase Manhattan Securities Japan.

None of these is among the 124 full members of the Tokyo Stock Exchange, where the number of foreign companies has grown to 25 from 6 in 1986. Nor is a full member expected to withdraw — after years of tough lobbying by foreign governments to

get in, none would want to be censured for running when the going gets tough.

But many concerns, such as County NatWest Securities Japan Ltd. and W.F. Carr (Overseas) Ltd., are slashing millions of dollars of fixed costs by laying off or transferring staff. With about half of Tokyo's 50 foreign brokerage firms thought to be in the red, more layoffs are expected.

The stock-market slump also has gutted profits at Japanese securities houses, which are in their worst downturn since the mid-1980s. Three of the Big Four and nine of 10 second-tier firms posted net losses in the year to March 31.

In contrast, big foreign brokerage houses with expertise in arbitrage trading have increased their shares of the market's volume and risen to the top of the profitability rankings. In the year in March 31, Salomon Brothers Asia and Goldman Sachs & Co. trailed only Nomura Securities Co. in recurring profit, according to Ministry of Finance data leaked to the Japanese press. Morgan Stanley & Co., Societe Generale and Baring Brothers Securities also were highly profitable.

Aggressive arbitrage helped boost the share of volume booked by foreign brokers to more than 20 percent this April, double the level a year earlier. The total share held by the Big Four of Daiwa Securities Co., Nikko Securities Co., Nomura Securities Co. and Yamachi Securities Co. meanwhile, has been steadily slipping, falling below 30 percent in April, two-thirds the level of several years ago.

The big foreign brokers are earning much of their profit through stock-index futures arbitrage. This has become a prime source of profits as thinning trading in the cash market depresses commission revenues while increasing price volatility and thus arbitrage opportunities.

Since trading in futures, options and other derivatives began in Tokyo in 1988, foreign companies have had the upper hand: Japanese companies

see BROKERS, Page 13

Europe Carriers Are Pulled Into U.S. Airfare War

By Lawrence Malkin

NEW YORK — The latest battle in America's airline fare wars spread Wednesday across the Atlantic, signaling more turbulence ahead for the industry.

Lufthansa and Swissair announced that they were matching the summer cuts on U.S.-to-Europe routes brought in earlier in the week by Delta Airlines. Delta, trying to build up the transatlantic service it bought from Pan American before the U.S. flag carrier went bankrupt, offered cuts up to 45 percent on business and full-fare coach tickets to Europe.

KLM and British Airways said Wednesday that they were considering matching the cuts.

The prospects of lower fares, while a potential bonanza for travelers, hit airline shares hard. In London, BA stock finished down 4 pence at 332 pence, on worries about a fare war's effects on European airlines. In Amsterdam, KLM fell 0.60 to 39.90 guilder (\$22.35) on similar concerns. Analysts calculate that KLM makes about two-thirds of its profit on North Atlantic routes.

But stock in BAA PLC, which operates Britain's airports and whose revenue would be expected to rise with a summer influx of travelers, rose a sharp 20 pence to 695 in London.

In New York, where airline stocks took a pounding Tuesday, the Dow Jones transportation index was down again Wednesday (Page 12).

Meanwhile, Continental Airlines, which has been operating in bankruptcy protection for more than two years, filed suit in federal court in Texas against AMR Corp., parent of American Airlines. In what analysts called a desperate

move, Continental accused the industry's market leader of trying to force it out of business as the only way American would be able to fly at a profit.

The suit argued that American's recent fare cuts constituted predatory pricing designed to destroy its rivals' "financial and competitive vitality" by setting price levels "that would result in ruinous losses to weaken and destroy competitors."

American responded by asking a federal court in Chicago to validate its new and simplified fare structure and keep it free of lawsuits that it warned could drag on for years. Ann McNamara, American's general counsel, said the accusations by other airlines "are actually a smokescreen for their objection to price competition."

A similar suit was filed by employees who are stockholders of America West Airlines, which is also operating under bankruptcy protection, seeking documents on American's pricing strategies.

Robert L. Crandall, American's chairman, rejected the suits in testimony Wednesday to Congress on airline deregulation. "If we want a competitive system, we must allow the market to finish the painful process of eliminating whatever number of carriers are surplus to the market's needs," he said.

The U.S. aviation industry now is dominated by three major carriers — American, Delta, and United. None of them flew at a profit during the disastrous climate of recession and the Gulf War last year, and profits this year seem to be elusive in the slow recovery.

In April, American tried to rationalize the crazy-quilted airline fare structure by introducing four

See FARES, Page 13

Delors Denies 'Super-State' Plan

STRASBOURG, France — EC Commission President Jacques Delors, smarting from EC states' rejection of his request for a major budget increase, responded angrily Wednesday to suggestions that he wanted to turn the European Community into a super-state.

Speaking during a European Parliament debate on the Danish rejection of the Maastricht Treaty, he also defended plans for a closer union with more spending power.

Mr. Delors rose to denounce an assertion by a Dutch member that he favored a Community ruled more and more from Brussels.

"It's totally false," he told the deputy, Nel Van Dijk. "I protest very strongly when you say such things. You must come along with proof and that's how you talk to a bureaucrat, not in any other way."

His speeches showed he had no ambition to build a Europe where small states had little say, he added. Despite the tilt, the parliament later passed a resolution backing the plan to push ahead with ratification of the Maastricht Treaty. The parliament also endorsed

the proposal to boost the European Community's budget that was rejected by a majority of finance ministers on Tuesday. The proposal is for the budget ceiling to be increased between 1993 and 1997 to \$8 billion European currency units (\$114 billion) from about \$7 billion Ecu now. The final decision rests with national heads of government.

The EC assailed a U.S. threat to penalize its food exports. Page 13.

Ireland is preparing for a referendum next week on the treaty, the Community's blueprint for economic and political union. After Danes voted narrowly against it last week, the Irish vote could make or break prospects of rescuing the pact, which has to be ratified by all 12 EC states.

But both the British and the German governments Wednesday reiterated their support for the treaty. Mr. Delors told the 518-strong EC assembly: "A few ideas should help us improve the workings of our Community and draw us nearer to our people."

They included extension of regional development funds to cover

Spain to diversify within the bloc and efforts to avoid conflict over sovereignty between Brussels and national governments.

In London, the British cabinet closed ranks behind Prime Minister John Major to try to stifle dissent over EC union within the ruling Conservative Party.

Social Security Secretary Peter Lilley, widely seen as skeptical of policy on Europe, issued a statement saying he fully supported Mr. Major over the Maastricht Treaty.

"The prime minister negotiated a good deal at Maastricht which gives us a good opportunity to shape Europe in the way we want," Mr. Lilley said.

In Paris, an aide to Chancellor Helmut Kohl of Germany told French leaders that the German legislature would ratify the Maastricht Treaty on time.

Wolfgang Schäuble, parliamentary leader of Mr. Kohl's Christian Democrats, told Prime Minister Mitterrand he had no doubt that both the lower house and the Bundesrat, the chamber dominated by the opposition Social Democrats, would vote for the treaty this year.

CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other market data for various international currencies.

Other Dollar Values

Table listing values for various currencies and commodities such as Gold, Silver, and Oil.

Forward Rates

Table showing forward rates for different currencies and time periods.

INTEREST RATES

Table detailing interest rates for Eurocurrency deposits and other financial instruments.

Key Money Rates

Table listing key money rates for various financial products and services.

Asian Dollar Deposits

Table showing rates for Asian dollar deposits across different regions.

U.S. Money Market Funds

Table listing U.S. money market funds and their performance metrics.

Channel Ferry Operators Find Life at the End of the Tunnel

By Barry James
PARIS — Ferry operators, who once feared the opening of the Channel tunnel, are now going through the biggest period of expansion in their history as they prepare for the opening of the European single market next year.

They are introducing huge new special-purpose ships and modernizing or stretching old vessels.

They are emphasizing quality and entertainment, turning once austere Channel crossings into cruises.

On the 26 mile (42 kilometer) crossing between Dover and Calais, they are sailing with shuttle regularity.

Five years ago, the ferry services were at a nadir following the Herald of Free Enterprise disaster and the prospect that a tunnel would eventually take away their customers. The boats were old and the crossing was something to be endured. The capping of the Herald of Free Enterprise off Zeebrugge in 1987, with the loss of 193 lives, raised questions about lax safety standards. The ship's operator later went out of business.

Now it is the \$1.47 billion tunnel that seems to be in trouble. Plagued by disputes between Eurotunnel PLC, the operator, and Trans Manche Link, the construction consortium, the tunnel will miss its original mid-1993 opening.

A spokesman said full services were unlikely until well into 1994 because of a delay in supplying railway rolling stock.

Eurotunnel says it will not meet its period of maximum indebtedness until 1996, at which time train, car-shuttle and freight services should be working at full capacity and producing sufficient revenue to service the debt. The company said that despite the loss of expected revenues next year, the estimated project costs were still well within available funding.

The delay gave ferry operators the windfall of an entire extra summer season to consolidate market share and put aggressive commercial strategies into place.

Last year, they carried some 27 million passengers. A spokesman for P & O European Ferries said traffic so far this year was up 27 percent over the same period in 1991.

Ferry operators believe that the forging of a single European market will create enough growth in both passenger and freight traffic to keep everybody busy.

Shipping analysts said that because their vessels would be partly amortized, the ferry operators would be able to match any level of fares the tunnel operator decided to set. At the same time, Eurotunnel will be constrained on fare cutting because of its mountain of debt.

"There is life after the tunnel," said a spokesman for Hoverspeed, which last year introduced high-speed catamarans known as SeaCats. Driven by water jets, they are capable of carrying up to 450 passengers and 80 automobiles.

The Australian-built SeaCats challenge the sea advantage the tunnel has: crossing time. The tunnel promises a 30-minute crossing between Dover and Calais. The SeaCats already do it in 35 minutes.

Meanwhile, the ferry operators are whittling away another advantage claimed by the tunnel operators — the ability to leave on the next departure without a booking. Tunnel travelers will put their cars aboard special shuttle trains for the crossing.

By the time the tunnel comes into operation, P & O European Ferries, the largest operator with slightly more than half of the market, and the British-French Sealink partnership will be offering at least

45 daily crossings each way between Dover and Calais, meaning that in all but the busiest periods, travelers should not have long to wait.

The British government recently rejected, on antitrust grounds, a request by the ferries to operate joint ticketing and marketing on the Dover-Calais route.

The ferry companies also have the advantage of being able to offer a variety of routes. P & O and Sealink both offer other short Channel crossings, such as Folkestone to Boulogne, while the rival Sally Line

sails between Ramsgate and Boulogne. Travelers going from northern or western Britain to France or Spain can avoid driving through the crowded southeast of England by

See CHANNEL, Page 13

Eurotunnel Cut From FT Index

Agence France-Presse
LONDON — Eurotunnel PLC, the company holding the concession for the Channel tunnel, was removed Wednesday from the 100-share Financial Times-Stock Exchange index due to insufficient market capitalization.

The so-called Footsie index, main barometer of the London exchange, consists of the 100 leading issues in terms of capitalization.

Eurotunnel shares closed Wednesday at £3.53 (\$6.47), compared with more than £4.80 in January and more than £11 in 1990. Capitalization ooded for Footsie membership is about £1 billion. Eurotunnel is at £955 million.

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See CHANNEL, Page 13

Microwave Research and Development Inc.

has been acquired by Merrimac Industries Inc.

The undersigned acted as Financial Advisors for Microwave Research and Development Inc.

Tokyo Pacific Holdings

Newly reorganized and restructured per amended plan.

Genetel re-bourse van Amsterdam

Advertisement for CORUM watches, featuring an image of a watch and text describing the brand and its products.

Source: Reuters, Salomon Brothers, Bank of Tokyo, Commercial Bank, Credit Lyonnais

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters



MARKET DIARY

Prices and Politics Worry Wall Street

NEW YORK — Stock prices slumped Wednesday on concerns about inflation and the declining popularity of President George Bush.

There's a political mess in Washington and it's sifting into the stock market, said Alfred Goldman, market analyst at A.G. Edwards & Sons.

The Dow Jones industrial average, which lost 34.21 points on Tuesday, fell 26.70 to 3,343.22, and declining issues on the New York Stock Exchange outnumbered gainers by more than 2 to 1.

Airline stocks were notably weak and the Dow Jones transportation average fell 25.79 points, to 1,335.01. Morgan Stanley cut airline estimates, citing the recent fare wars.

Health-care stocks also contributed to the market's slump. U.S. Surgical lost 3 1/4 to 106 1/4. Critical Care lost 2 3/4 to 37 1/4. Medical Care International fell 2 1/2 to 56 and Bristol-Myers Squibb eased 1/4 to 62 1/2.

The S&P health care index is down more than 16 percent since mid-April, following several disappointing earnings reports.

Inflation concerns came to the fore Wednesday on rumors that the May wholesale-inflation data would show higher price rises than had been expected.

Telefonos de Mexico paced the Big Board as it rose 2 1/2 to 51 1/2. Reports said the telephone company's union was considering selling some of the approximately 4 percent of Telefonos shares it owns, but the union denied the speculation.

Citigroup rose 1/4 to 19 1/4. Citicorp, the largest U.S. banking company, said it would issue about 9.3 million common shares in exchange for certain preferred shares.

Semiconductor stocks were lower after the industry's manufacturing association said orders were down in May from April. The industry's book-to-bill ratio declined to 1.10 from 1.12.

Intel declined 1/4 to 50 1/4. Motorola fell 1/4 to 38 1/4. Anthem Electronics slipped 1/4 to 36 1/4 and Texas Instruments declined 1/4 to 37 1/4.

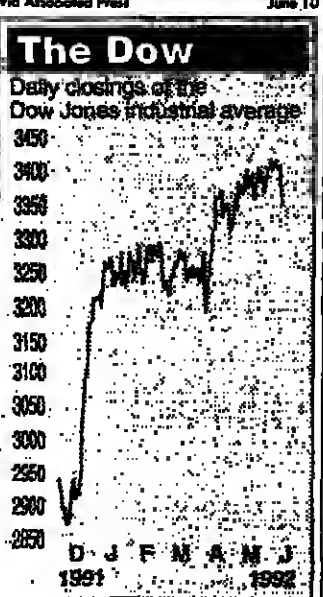


Table with columns: Val., High, Low, Last, Chg. for NYSE Most Active stocks.

Table with columns: Val., High, Low, Last, Chg. for AMEX Most Active stocks.

Table with columns: Val., High, Low, Last, Chg. for NYSE Diary.

Table with columns: Val., High, Low, Last, Chg. for NASDAQ Diary.

Table with columns: Open, High, Low, Last, Chg. for Dow Jones Averages.

Table with columns: High, Low, Close, Chg. for Standard & Poor's Indexes.

Table with columns: High, Low, Close, Chg. for NYSE Indexes.

Table with columns: High, Low, Close, Chg. for NASDAQ Indexes.

Table with columns: High, Low, Close, Chg. for AMEX Stock Index.

Table with columns: High, Low, Close, Chg. for Dow Jones Bond Average.

Table with columns: Buy, Sell, Shares, Price for NYSE Odd-Lot Trading.

Table with columns: Buy, Sell, Shares, Price for S&P 100 Index Options.

Table with columns: Open, High, Low, Last, Chg. for EUROPEAN FUTURES.

Table with columns: High, Low, Close, Change for SUGAR (POD).

Table with columns: High, Low, Close, Change for COCA (POD).

Table with columns: High, Low, Close, Change for WHITE SUGAR (AMER).

Table with columns: High, Low, Close, Change for METALS.

Table with columns: High, Low, Close, Change for 3-MONTH STERLING (LIFFE).

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Table with columns: High, Low, Close, Change for HOGS (CME).

Table with columns: High, Low, Close, Change for HOGS (CME).

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U.S. Banks Enjoyed Record Quarter

WASHINGTON (AP) — U.S. bank profits soared to a record in the first three months of this year, but regulators said Wednesday that probably the improvement was driven by a decline in interest rates that probably will not last.

The 11,806 commercial banks earned \$7.6 billion in the quarter, up 36 percent from the same period last year, the Federal Deposit Insurance Corp. said. That topped the old quarterly record of \$7.3 billion set in the first quarter of 1989.

Officials, however, warned that many banks continued to be troubled in commercial real estate and recovery would be slow in the Northeast and Southern California.

'Wayne's World' Propels Paramount

NEW YORK (Bloomberg) — Paramount Communications Inc. posted Wednesday much-improved second-quarter results with the hit movie "Wayne's World" contributing \$115 million in revenue.

The company reported net income of \$28.3 million, compared with a net loss of \$55 million a year ago, when the company was forced to take a \$35.4 million charge on its motion-picture and television operations.

Paramount is well on the road to a substantial year-to-year improvement in results, said Chairman Martin Davis.

Biodegradable Plastic Enters Market

NEW YORK (Reuters) — A bottle made of fully biodegradable plastic will enter commercial use in the United States next month, giving consumers their first alternative to the polyethylene container.

Imperial Chemical Industries PLC of Britain said Wednesday that a new line of shampoo would be sold in bottles made of organic plastic based on agricultural products, known as Biopol.

July Cocoa Falls to 19-Year Low

CHICAGO (Bloomberg) — The price of cocoa for delivery in July collapsed Wednesday, falling to a 19-year low, as producers dumped more and more on a market that is already weighed down, analysts said.

July cocoa shed \$36 to close at \$802 a ton after setting a life-of-contract low of \$800 at the Coffee, Sugar & Cocoa Exchange in New York last Monday. July cocoa has lost \$56 a ton.

Textron Wants to Sell CWC Unit

PROVIDENCE, Rhode Island (AP) — Textron Inc. said Wednesday it wanted to sell its CWC Castings Division, a maker of auto camshafts and steel castings.

Textron, which bought CWC in 1956, has operations in aerospace technology, commercial products and financial services.

For the Record

International Business Machines Corp. filed a suit alleging that Phoenix Computer Associates Inc. sold counterfeit memory cards for the IBM PS/3090 family of mainframe computers.

Dollar Unable to Pierce Barrier of 1.60 Marks

NEW YORK — The dollar weakened Wednesday in a retreat that followed its failure to pierce the 1.60 Deutsche mark level in Europe.

The dollar fell to 1.5905 DM in New York from 1.5920 on Tuesday, and it dropped to 127.450 yen from 127.500, to 1.4500 Swiss francs from 1.4555 and to 5.3525 French francs from 5.3585.

Traders were hesitant to buy the dollar because of uncertainty about the future of the planned European monetary union. If the plan falls apart, the mark is likely to benefit as foreign-exchange markets because of the strong support for the currency from the German central bank.

Marc Chander of IDEA said, "The ebbs and flows of opinion on European unity, like the Danish rejection of the Maastricht Treaty and uncertainty in the upcoming Irish vote next week, worked against loog dollars. So did signs from the Japanese that they want a stronger yen."

"Short-term, however, the momentum indicators show the dollar has scope to rise towards its recent highs, especially given the rumors of stronger-than-expected retail sales Thursday," he said.

In London trading, the dollar was mixed, ending below its best levels of the day after failing to breach 1.60 DM. The dollar rose to 1.5913 DM from 1.5905 on Tuesday, and it advanced to 127.545 yen from 127.400.

Analysts said the dollar was buoyed early in the day by speculation that the May U.S. wholesale inflation figures, to be released Thursday, would be above analysts' expectations. If so, this would throw cold water on persistent talk that a cut in U.S. interest rates is imminent.

"There was a definite feeling this morning that the dollar was going to break higher and a lot of people went long," said a U.S. investment house trader. "But as the day dragged on and the break didn't come, they just got fed up."

UPI: Robertson Withdraws Offer

(Continued from first finance page) ing the past month by injecting \$300,000 for payroll and other expenses.

UPI filed for Chapter 11 bankruptcy-court protection in August, its second Chapter 11 filing since 1986, and has been searching without success for a buyer for about 18 months. Its parent, Infotechnology Inc., also sought bankruptcy protection last year.

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WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Stockholm, Toronto, Zurich, and various regional indices.

CHANNEL

Table of commodity prices including various metals, grains, oil, and other goods.

Large vertical advertisement on the right edge of the page, partially cut off, mentioning 'Racial B...' and 'To a £50...'.



Slovak  
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### Racal Bounces Back To a £56 Million Profit

Compiled by Our Staff From Dispatches  
LONDON — Racal Electronics PLC reported Wednesday a return to profit and set a date to spin off its Chubb security operation to stockholders, meeting a promise made in fighting off a hostile bid last year.

Racal bounced back to a pretax profit of £55.8 million (\$102.3 million) in the year to March 31 after a loss in the previous year of £21.82 million.

Operating profit tripled to £103 million, but was reduced by charges of £41.6 million. Of these, £22.5 million related to costs incurred in spinning off the Vodafone Group PLC mobile-telecommunications unit and in defending against the bid by Williams Holdings PLC. A further £18 million related to provisions for disposals and closures of various businesses in the current financial year, part of Racal's broad restructuring.

Debt was reduced to £121 million, from £225 million a year ago, as a result of the Vodafone spin-off, cutting the debt-to-assets ratio to 19.1 percent, from 35.4 percent.

Racal Electronics' revenue rose slightly, to £1.61 billion.

Racal said prospects for 1992-93 were good, benefiting from cost reduction and profit improvement programs, lower exceptional costs and reduced interest payable.

Share analysts upgraded their forecasts for 1992-93 profit, and the stock rose 5.25 pence to 69.25 pence.

Paul Norris of Barclays de Zoete Wedd said he would be increasing

his pretax forecast for the year by £15 million, to £105 million, while some other analysts went as high as £110 million.

Following the model of Vodafone, Racal now plans to spin off its security operations to stockholders next October.

Racal said it would issue shares in the new company, to be named Chubb Security PLC, to Racal shareholders pro rata to their holdings in Racal. Further details will be given in September.

The security operations cover electronic security, fire protection, staffed guarding, locks and safes.

Racal added that Sir Ernest Harrison would be succeeded as chief executive by David Elsbury, currently chief operating officer, at the annual general meeting on Aug. 3. Sir Ernest will remain chairman of Racal and will remain chairman of Chubb Security.

Breaking down operating profit for 1991-92, Racal said security profit rose 20 percent to £53.8 million, data communications had a profit of £1.8 million after an £11.8 million loss and network services cut startup losses to £300,000 from more than £14 million.

Radio communications' profit almost doubled to £22.5 million, while the marine and energy division profit rose 9 percent to £16.3 million. Defense radar & avionics had a profit of £6 million after a small loss the previous year, while specialized businesses had a profit of almost £9 million after a previous year's loss of £3.5 million.

(Reuters, AFX, Bloomberg)

### TI's Bid for Dowty Prevails

Compiled by Our Staff From Dispatches  
LONDON — The British engineering company TI Group PLC claimed victory Wednesday in its hostile £520 million (\$970 million) takeover bid for Dowty Group PLC, another engineering and aerospace company.

"This is a merger for growth that creates the second largest engineering company in the U.K. and one of the biggest in Europe," said TI's chairman, Christopher Lewinton.

TI said it had received 55.4 percent of the total Dowty share capital in acceptances from shareholders when the tender closed Wednesday but that there were more to come.

Dowty is the second venerable British engineering company to disappear after a hostile offer within a year. Hawker Siddeley PLC earlier fell victim to the industrial conglomerate BTR PLC.

"We are clearly delighted with the result. Our priority now is to get down to the real task of returning Dowty to its core specialized engineering businesses of aerospace and polymer engineering," Mr. Lewinton said.

Dowty, maker of the landing equipment for the Airbus aircraft, among other things, has spent £150 million over the last five years diversifying unsuccessfully into information technology and other areas.

TI, an acquisitive company that manufactures specialized metal tubing and industrial seals, has said it intends to sell the noncore parts of the Dowty businesses, with an early sale of the company's information-technology unit thought likely.

Analysts said the victory would take TI into the Financial Times-Stock Exchange index of 100 of Britain's leading companies.

With a potential market capitalization of more than £1.5 billion, the company could challenge Rolls-Royce PLC as the biggest of the British engineering groups.

A TI director said it was too early to say if Dowty's current senior management would have a future in the combined new group.

Dowty had been seeking support among institutional investors until the last hours in frantic attempts to remain independent. The company stressed its recovery prospects and had reported better-than-expected annual results.

Last Friday, Dowty announced pretax profit of £32.7 million for the year to March 31, and said it had seen signs of an improvement in its businesses in the first three months of this year.

"The general view is that they got it for a very good price," said Zafar Khan, engineering analyst at SG Straus Turnbull, referring to the price TI paid for Dowty. "So the Dowty profits were very good for TI."

The value of the TI bid is dependent on the price of its shares, offered as payment to Dowty shareholders, and on Wednesday it was calculated at around £520 million.

Dowty's common stockholders were offered eight TI shares for each 15 Dowty shares they held. There was a cash alternative of 175 pence a share.

TI's stock initially rose six pence to 356 pence a share before falling back to close 1 penny up at 353, while Dowty's shares closed up 12 pence to 187.

Baring Brothers, the merchant bank acting for TI, said the bid was now declared unconditional. It is expected that trading in the new TI common stock will start Thursday.

(Reuters, AFP)

### EC Assails U.S. Threat To Food Exports

BRUSSELS — The EC Commission said Wednesday that U.S. threats to hit European Community exports with prohibitive duties in a dispute over oilseeds were inappropriate, counterproductive and had no legal basis.

"The commission deeply regrets this decision which, if implemented, would seriously affect EC exports to the United States for a whole range of products," the EC executive said.

"It appears from this action that the U.S. is not interested in peace in international trade," an EC official quoted Farm Commissioner Ray MacSharry as saying.

The United States and the Community are still deadlocked over agriculture at crucial negotiations intended to liberalize world trade.

Their dispute over the EC's oilseeds subsidies, which Washington says cut into U.S. exports of soybeans, is a side issue that has soured still further the climate for resolving the bigger conflict.

Wine, Cheese Targeted  
Keith Bradsher of The New York Times reported from Washington: The administration, establishing an uncommon link between fine European foods imported for American tables and feed shipped in Europe for consumption by livestock, threatened Tuesday to impose prohibitive tariffs on European venison, brawn, roe, snails, Roquefort cheese and other items in retaliation for European restrictions on American soybean exports.

Carla A. Hills, the U.S. trade representative, released a list of \$2 billion worth of annual food imports from Europe and said she intended to impose prohibitive duties on half of them unless the issue was resolved. The duties, which are likely to be 100 percent or more, could make these products cost double or triple in the United States what they now cost.

The list was drafted to include a range of goods from European countries.

European officials on Tuesday said the EC had offered earlier in the day to negotiate limited restrictions on its exports in exchange for a quiet settlement of the issue, and accused the United States of taking unilateral action in a dispute previously handled through talks among diplomats in Geneva.

### Investor's Europe

Exchange	Index	Wednesday Close	Previous Close	% Change
Amsterdam	CBS Tiend	130.40	130.40	Unch.
Brussels	Stock Index	5,948.88	5,959.68	-0.22
Frankfurt	DAX	1,789.76	1,796.20	+0.20
Frankfurt	FAZ	711.83	713.60	-0.25
Helsinki	HEX	783.72	788.82	-1.89
London	Financial Times 30	2,057.20	2,056.60	+0.03
London	FTSE 100	2,636.10	2,635.40	+0.03
Madrid	General Index	250.70	250.20	+0.04
Milan	MIB	948.06	947.00	+0.11
Paris	CAC 40	1,653.70	1,662.03	-0.43
Stockholm	Affarsvarden	1,087.45	1,087.92	-0.04
Vienna	Stock Index	450.07	450.21	-0.03
Zurich	SBS	554.20	567.10	-0.43

### Very briefly:

- The Agnelli family, unwinding positions in the aftermath of the Perrier takeover, sold the 1.55 million shares in Compagnie de Suez held by their Exor SA to Nestlé SA, their opponents in the tabacco battle, for 496.8 million French francs (\$92.5 million), slightly above the market price.
- Daimler-Benz AG raised its stake in Mercedes-Benz of South Africa to 76.6 percent of the ordinary share capital from 50.1 percent, buying the additional 26.5 percent from the bank Volkskas Investment Ltd.
- Northern Foods PLC, the wholesaler of fresh foods and dairy products, reported that its pretax profit for the year to March 31 had risen 20 percent to £126.2 million (\$230.9 million), as it gained from acquisitions and defied pricing pressure from its supermarket customers.
- Merck AG, the Swiss chemical and pharmaceutical company, said first quarter consolidated sales had risen 11 percent from a year earlier, to 10.9 billion francs (\$412.2 million).
- Deutsche Bank said Western banks would meet in Frankfurt on June 25-26 to discuss with Vneshekonbank the end-June deadline on a moratorium on principal of debt of the former Soviet Union.
- Deutsche Aerospace AG, Aerospaiale and Alenia will delay their Regoliner project if Dasa takes a controlling stake in the latter. Dasa's Regoliner F70 can be developed first, Dasa's director-general, Johannes Schaffler, said in a newspaper interview.

### Bourse Sets Schneider Investigation

PARIS — The regulatory commission overseeing the operations of the Paris Bourse said Wednesday it would open an investigation into trading in Schneider SA shares.

Schneider shares fell sharply on Tuesday after the company held a meeting with financial analysts and later said 1992 net profit may be as low as 300 million francs (\$56 million).

This would be an improvement over the 275 million franc profit in 1991, which reflected heavy losses at the Spiez-Dataglobe, but would be a far cry from its more typical 1,000 million franc profit in 1990. Schneider's share slide continued on Wednesday, when it closed 1 franc lower at 682.

### FARES: Europeans Join Battle

(Continued from first finance page)  
classes of fares cutting business fares and stabilizing advance purchase tariffs for vacationers. Other lines responded with still lower fares. American struck back with half-price fares for its cheapest seats, which its rivals felt they had to match.

All this drained profits, and no analyst would dare predict whether the rush for half-price tickets would put the airlines into the black during the summer. Then came the transatlantic fare wars this week.

Although no airline analyst would speculate on the outcome of the court cases, Kevin Murphy of Morgan Stanley said the uncertainty of the outcome would itself make U.S. airline stocks even more unattractive.

The main argument against the three principal airlines is that they might emerge victorious from the fare wars as an oligopoly fixing prices at a higher level, but Mr. Murphy doubted that could happen with continued slack demand in a slack economy.

John Fincavage, an investment banker with Transportation Group, pointed out that the airline year was usually split into two — the summer months of heavy tourism when airlines generally make money on high cash flow, and the winter months when airlines hibernate on their fat and keep flying.

But because the slow U.S. economic recovery will affect not only vacation travel this summer but business travel in the winter, he said the fate of the weaker airlines is growing increasingly precarious.

### Parretti Backer Asks Protection From Creditors

AFP-Extel News  
GENEVA — Sasea Holding AG, which backed Giancarlo Parretti's disastrous \$1.3 billion acquisition of MGM, said Wednesday that it had filed for protection from creditors to allow it to restructure its debt.

The move is partly the result of "problems regarding the operations of MGM due to the financial situation of that company," Sasea said. Mr. Parretti was ousted last year by Crédit Lyonnais, which had lent him hundreds of millions of dollars and has taken control of the troubled studio.

Sasea said the filing would allow it to propose to its creditors payments proportionate to their exposure. Sasea said it had already cut debt by selling its main real estate unit, Scotti Finanziaria SpA.

### Peltz and May Likely to Buy Retailer

MADRID — Nelson Peltz, the former chairman of Moundleigh Group PLC, along with his associate Peter May, are the most likely candidates to buy the collapsed British real estate company's Spanish retailing subsidiary, a spokesman for Galerías Preciados SA said Wednesday.

"Everything points to Nelson Peltz and Peter May," the spokesman said. "I don't think there have been any other offers."

In November 1989, Mr. Peltz and Mr. May bought a 22 percent stake in Moundleigh and became its top officers. Previously, they had been chairman and president, respectively, of Triangle Industries Inc., whose vast U.S. packaging operations were acquired by Pechiney SA of France.

Mr. Peltz and Mr. May, who were censured by the stock exchange for improper dealings in Moundleigh shares, left their executive positions at Moundleigh last year and sold half their stake to the Gordon Getty Trust. Moundleigh entered receivership last month with debt of £500 million (\$916.50 million) after it missed an interest payment.

### BROKERS: Survival of the Fit

(Continued from first finance page)  
have been struggling to match the experience and level of computer technology deployed by their Western competitors.

There are signs, however, that the advantages the big foreign brokerages enjoy may be waning. Analysts said the Big Four have narrowed the gap to arbitrage techniques.

Nomura, for example, ranked second only to Morgan Stanley in arbitrage turnover on the Osaka Stock Exchange between January and March this year. Nikko boosted its commission income from figures and options trading by 18 percent in the latest financial year, to 10.2 billion yen (\$80.4 million).

The Ministry of Finance, worried that foreign dominance of arbitrage trading was whipsawing the markets, has also been clamping down. It raised commissions and shortened trading hours on the futures exchange in Osaka. Some also suspect a snap audit of Morgan Stanley earlier this year was at best an attempt to chill arbitrage activity, and at worst a way of spying on the company's trading techniques.

"The authorities would like to see the derivatives market slow down and go back to being a plain-vanilla type of activity," Mr. Treadwell said.

Foreign interest in the market, another key source of revenue to overseas securities houses, may also be tapering off. Although the chance to snap up relatively cheap stocks

made foreign investors among the few bulls during the two-and-a-half-year slide in Tokyo equities, most portfolio managers have achieved adequate weightings and have little need to increase their exposure to Japanese equities, analysts said.

A source at a leading foreign brokerage firm played down the competitive threat. "We're not sitting still," he said, noting that arbitrage techniques were constantly being refined.

### CHANNEL: Life at the End of the Tunnel for Ferries

(Continued from first finance page)  
taking a ferry from Portsmouth, Southampton, Plymouth or Poole. Although the ferry crossing takes six hours or more, total travel time is shorter.

Britany Ferries, the main operator in the western Channel, recently introduced a 27,000-ton flagship, the Normandie, and announced its interest in building two more super-ferries for delivery over the next two years. The 10-deck Normandie is the largest Channel ferry in service.

P & O European Ferries will introduce a freight superferry, the European Highway, on its Dover-Zebrugge service next week.

Another P & O ferry, Pride of Kent, arrives back in Dover on Friday after a refit in Palermo, Sicily, that included the adding of a 31 meter (102 foot) midship extension

and the increase of its passenger capacity by 500 to 1,825.

By the time the tunnel opens, the company will have 24 ships on Channel and North Sea crossings, including five on the Dover-Calais route. "We are ready now to take on the tunnel," a spokesman said.

The P & O passenger-shipping interests reported a profit of £149 million (\$31.7 million) last year, despite the recession, was up from £131.7 million in 1990.

Analysts say the real competition is more likely to be among the ferry operators.

The British partner in the Sealink consortium, which was acquired by the Göteborg-based Stena line in 1990, recently trimmed its personnel from 6,000 to just over 4,000 in a bid to turn around a £30 million loss last year.

The consortium operates 12 ships on Channel and North Sea routes.

The companies also are seeking the loyalty of truck drivers by introducing special freight ferries with first-class service.

Meanwhile, a Russian concern has expressed interest in developing Channel services using surface-skimming seaplanes that could, in theory, carry up to 400 passengers and 250 tons of freight. A prototype aircraft, known to the North Atlantic Treaty Organization as the Caspian Sea Monster, was developed as a military transport.

In theory, the craft could cut the western Channel crossing to 10 minutes from six hours. The large amount of shipping would make it difficult to assign routes to such an unorthodox craft.

### NYSE

Wednesday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Stock	Div	Yld	PE	High	Low	APR	SPR
IBM	3.00	4.8	12.5	110 1/4	109 3/4	110 1/4	109 3/4
Microsoft	0.00	0.0	15.0	50 1/2	49 3/4	50 1/2	49 3/4
Apple	0.00	0.0	10.0	25 1/2	24 3/4	25 1/2	24 3/4
Oracle	0.00	0.0	12.0	15 1/2	14 3/4	15 1/2	14 3/4
Novell	0.00	0.0	11.0	12 1/2	11 3/4	12 1/2	11 3/4
Lotus	0.00	0.0	10.0	10 1/2	9 3/4	10 1/2	9 3/4
Intuit	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Visa	0.00	0.0	12.0	12 1/2	11 3/4	12 1/2	11 3/4
MasterCard	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Amex	0.00	0.0	10.0	10 1/2	9 3/4	10 1/2	9 3/4
Discover	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of America	0.00	0.0	12.0	12 1/2	11 3/4	12 1/2	11 3/4
Wells Fargo	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Citigroup	0.00	0.0	10.0	10 1/2	9 3/4	10 1/2	9 3/4
JPMorgan	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Goldman Sachs	0.00	0.0	12.0	12 1/2	11 3/4	12 1/2	11 3/4
JP Morgan Chase	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of New York	0.00	0.0	10.0	10 1/2	9 3/4	10 1/2	9 3/4
Bank of Montreal	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of Toronto	0.00	0.0	12.0	12 1/2	11 3/4	12 1/2	11 3/4
Bank of West	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of the West	0.00	0.0	10.0	10 1/2	9 3/4	10 1/2	9 3/4
Bank of California	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of Commerce	0.00	0.0	12.0	12 1/2	11 3/4	12 1/2	11 3/4
Bank of America	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Wells Fargo	0.00	0.0	10.0	10 1/2	9 3/4	10 1/2	9 3/4
Citigroup	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
JPMorgan	0.00	0.0	12.0	12 1/2	11 3/4	12 1/2	11 3/4
JP Morgan Chase	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of New York	0.00	0.0	10.0	10 1/2	9 3/4	10 1/2	9 3/4
Bank of Montreal	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of Toronto	0.00	0.0	12.0	12 1/2	11 3/4	12 1/2	11 3/4
Bank of West	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of the West	0.00	0.0	10.0	10 1/2	9 3/4	10 1/2	9 3/4
Bank of California	0.00	0.0	11.0	11 1/2	10 3/4	11 1/2	10 3/4
Bank of Commerce	0.00	0.0	12.0	12 1/2	11 3/4	12 1/2	11 3/4











# SPORTS EURO 92

## Sweden Holds France to Tie in Opening Match

By Rob Hughes  
International Herald Tribune

STOCKHOLM — Firecrackers shattered the night calm of this friendly city Wednesday night after Sweden held France to a 1-1 draw in the opening match of the European Championship.

A tie is a customary enough start to major soccer tournaments, but what was surprising was the way the Swedes misused the French toward the brink of defeat, proving more the athletic team and often higher on discipline and morale.

So why did France escape with a point?

Simple. Leave Jean-Pierre Papin with a wide open goal to attack and you pay the price. When Papin, the latest multi-million dollar acquisition by AC Milan, punished loss of tending with his right-footed scoring shot on a hour into the match it was a bolt from the blue struck by a flasher.

Up to then, Sweden had a grip on this match that suggests France has not the flair and panache to fulfill its promise to go all the way in this eight-team contest. Stefan Schwarz and Jonas Thern, two of the Swedes playing abroad, provided the platform with dominant, hungry midfield power.

Both were shown yellow cards for the ruggedness of their tackles, but they squeezed the lifeblood out of France. France's own creator in midfield, Franck Sauzeau, had neither the touch to outwit them nor the support to stimulate rhythm.

He tried, but was often alone. Yet, in the beginning, the French had struted, their winger from Auxerre, Pascal Vahirua, had danced and many thought, ah yes, the French have such class. Slowly, as the sun went down way past 8.30 P.M., the wheel turned. The yellow Swedish tide began to ripple forward, especially down the right flank, where Klas Ingesson appeared to have too much vigor and speed for the veteran French skipper, Manuel Amoros.

And down the center Kenneth Andersson, big and blond though not very polished, barraged France into conceding two corners. The second was turned into a Swedish goal, a wootful French surrender.

As the ball was dipped toward the rear post, Ingesson made a dummy run to entice Bernard Casoni out of position. Jan Eriksson was lurking nearby and when he made his move, Sauzeau was at fault in not marking tightly. The result was a gift, a "free" headed goal from seven meters.

It was the second time the 6 foot, 1 inch (1.8-meter) Eriksson had scored for his nation, this one coming in his 20th match. From his face, it was the moment of a lifetime, and from the crowd which had been led to believe that their team was the underdog, it was an awakening.

Now Sweden became the men of the hour, and the French chased around like frustrated boys. Angolma was cautioned for a foul on Limpar that betrayed the flawed French temperament, and bad Ingesson scored with two rushed chances early in the second half it is doubtful that the French would ever have recaptured their nerve.

But he missed, first with a wild shot, then with a header too close to goalkeeper Bruno Martini. And then came the hour of that man Papin. JPP, as he is affectionately known, was a quiet, almost anonymous figure, a wounded one because of an ankle that had been injured for three weeks.

The quieter he is, the more dangerous it is to leave him unguarded. Joschim Bjorklund, an inexperienced defender of 20 and the oceph of Sweden's team manager, Tommy Svensson, committed the cardinal sin.

He forgot to dog Papin's every step and when Christian Perez floated an angled ball from the left, there was Papin. He headed the ball downfield, to be allowed goalie Thomas Ravelli to advance toward him, then with a sure kick of his



Jean-Pierre Papin, who scored the tying goal for France, was knocked down by Roland Nilsson as Jan Eriksson, who had scored first for Sweden, looked back to see if a penalty had been called.

right foot he shot the ball untouched wide of Ravelli.

The 21st goal in Papin's 36th appearance for France saved the day for his team. It justified a half-time substitution by the manager, Michel Platini, that brought out Perez instead of Vahirua, and it bought France a little time to consider how fortunate it was to have survived a lesson in organization from a team which, skill for skill, expected to be outclassed.

The teams: SWEDEN (formation 4-4-2) — Ravelli; R.Nilsson, Eriksson, P.Andersson, Bjorklund; Ingesson, Schwarz, Thern, Limpar; K.Andersson (73rd minute, Dahlin), Brodin.

FRANCE (5-2-3) — Martini; Angolma (60th minute, Fernandez), Boli, Blanc, Casoni, Amoros; Sauzeau, Deschamps; Cantona, Papin, Vahirua (48th minute, Perez).

Scorers: Eriksson 24th minute, 1-0; Papin 60th minute, 1-1. Yellow cards — France: Angolma (35th minute), Cantona (53rd minute); Sweden: Schwarz (40th minute), Thern (67th minute).

said Wednesday before the opening match between Sweden and France, Reuters reported from Stockholm.

The Swedish Football Federation's general secretary, Christer Olsson, said that about 10,000 tickets had been returned by the eight nations participating in the tournament but that most would be re-sold.

"We will sell at least 95 percent of the tickets," he said. "Our original projections were to sell about 85 percent."

Olsson said some returned tickets would not be re-sold for security reasons because organizers wanted to avoid seating rival fans together.

Swedish police have warned banks and currency exchange bureaus in Malmo to watch for English soccer fans trying to change forged British bank notes, Reuters reported.

Police arrested two fans Wednesday on suspicion of changing forged notes for Swedish kronor in Malmo, where England plays its first match, against Denmark on Thursday.

The two Newcastle in northeast England, were caught with the help of English police, a Malmo police spokesman, Lars Hakansson, said.

Other English fans said they understood the two had a quantity of forged £ notes as well as a fake credit card.

AS Roma announced Wednesday it has signed Serbian midfielder star Stasa Mihajlovic, paying Red Star Belgrade a transfer fee of about 9 billion lire (\$7.5 million), The Associated Press reported.

The 23-year-old player, who will get \$660,000 a season under a three-year contract, will arrive in Rome on Thursday to undergo medical examinations.

## BOOKS

### COTE D'AZUR: Inventing the French Riviera

By Mary Blume. 208 pages. Illustrated. £14.95. Thames and Hudson, 30-34 Bloomsbury Street, London.

Reviewed by John Rockwell

MARY Blume has concocted, rather like one of those elegant lazy lunches served by her interviewer and aristocrat on a sun-washed Mediterranean veranda, an anecdotal book, a little of this and that. It's mostly nostalgia — for lifestyles perhaps defunct but still more glamorous, more elegant, more sensuous than the lawdry touristy trick of Riviera life today.

At one point, in one of the apocryphal observations that dot her text, Blume informs us that nostalgia is "pain made pleasant." Maybe, but more often it's merely wistful memory, sweet but sometimes inconsequential. Blume's book is like that, too, but as she keeps reminding us, idle pleasure is no sin.

Blume, who for more than 25 years has portrayed the well-known and the lesser-known in a series of lively interviews for the International Herald Tribune, has shaped her book into a story. That story has its heroes, its villains and its amiable loonies. Blume chronicles the rise of the Cote d'Azur as, first, a winter retreat for rich foreigners — it got its highly marketable brand name, the "azur coast," from the French poet Stephane Liégard in 1887.

### BRIDGE

By Alan Truscott

ON the diagrammed deal South brought off an outrageous swindle to bring home a game contract. His opening one-club bid was artificial and his ace and his ace-spade rebid was forcing. He seemed headed for four spades, which cannot be made after an opening diamond lead, but diverged into three no-trump.

The defense could have taken the first five heart tricks, but West led the diamond king, guided by his partner's double for the artificial bid of one diamond. This rebid was not enough for South, who could count just eight tricks after winning with the ace.

Leading a diamond to establish a ninth trick was sure to provoke a decisive heart shift, so South brazenly led the heart queen. This had the desired effect, for West won with the ace and led his remaining diamond. East won and could not read the situation. He played a third round of diamonds to establish his remaining diamonds, and South claimed his contract.

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## Cheap Beer and Chaperons: Sweden's Big Party Begins

By Ian Thomsen  
International Herald Tribune

STOCKHOLM — Their voices preceded them down the hall of the subway station. The first sounds of a looming storm? The first match was four hours away. Rounding the corner they came into view, singing in praise of Sweden, arms linking each other, four teenage, crewcut boys in the blue-and-yellow jerseys of Sweden. They walked to the end of the waiting ramp, trailed no less than 10 meters by three policemen outfitted proudly in urban battle uniform.

Two of the officers followed them into the front car. As the train pulled away, the policemen were standing in the doorways flanking the four youths, who sat suddenly quiet on facing benches like kids on their first school field trip. The officers were posed like mannequins from a war museum.

They wore padded navy jump suits. A square radio microphone was strapped to the shoulder, a white helmet strapped to the belt. There was a billy club dangling from one hip and a sheathed weapon hanging from the other. Black gloves were tucked into the belt. A large green bag was fastened at the belt in back. How long does it take to get dressed for work in the morning?

The 17-day final in the European Championship of soccer began here Wednesday night when the French national team took on Sweden's. The Swedes, amid great national debate, have invested \$35 million in police security for this tournament. When four bedazzled teenagers enter a subway, they are followed by officers prepped for riot. At each stop, they step halfway out of the train, peering through a window into the adjoining car. Leaving the station, such fans as appear to pose a threat are then to be followed to Rasunda Stadium by teams of plainclothes officers.

The Swedes had anxiously awaited this debut for many years. With more than 3,200 journalists covering tournament sites in Norrkoping, Malmo, Gothenburg and here in the capital, this has become the largest sporting event in the nation's history.

It also is an invitation to hooligans from England, Germany and the Netherlands, but the Swedes are appealing to the brighter side. On an open field in the northeast section of the city, they have erected a series of white tents, where draft beer sells for 20 Swedish kronor, a bargain in this country.

English authorities fear that alcohol only induces violence, but the Swedes expect youths to remain at the tents, where they can't tear up anything but the grass. Let them drink themselves silly here. The area is equipped with a stage for rock bands, barbeque and sandwich stands, risqué T-shirt stands, pinball machines and video games, dartboards, a mechanical bull and a Velcro pit.

On Tuesday night, the eve of the tournament, these last two were getting the most attention.

Although it does appear a bit naive to imagine that people who have come to fight will suddenly prefer to put on a Velcro wall with a running leap. Sure, they lie suspended against the wall upside down until they peel off, but the rewards of this can wear thin after awhile.

Of course, this is all new for the Swedes, who were invited to this party because they own the keys to the stadiums. They have yet to properly qualify for one of these finals. Yet it has become fashionable to predict that they will advance to the semifinals from their round-robin grouping of France, England and Denmark, helped along by the home-field advantage. Although some members of the national team play fulltime outside the country, Malmo is the only all-professional club in Sweden.

## The Swedes, amid great national debate, have invested \$35 million in police security for what has become the largest sporting event in the nation's history.

the players on the other teams work half-days at other jobs. The national team's manager, Tommy Svensson, 47, is a former primary school teacher.

And how much is the home-field advantage worth? Something, at least. When the World Cup was held here in 1958, the Swedes advanced to the final at the same Rasunda Stadium, where they were drubbed, 5-2, by Brazil and its 17-year-old star Pele.

This time the stadium has been surrounded at its periphery by chain-link fencing, topped sharply along the top. The crowd of arriving spectators must stuff itself through narrow security checkpoints to enter the grounds. Inside, the typical barbed wire fencing surrounds the pitch.

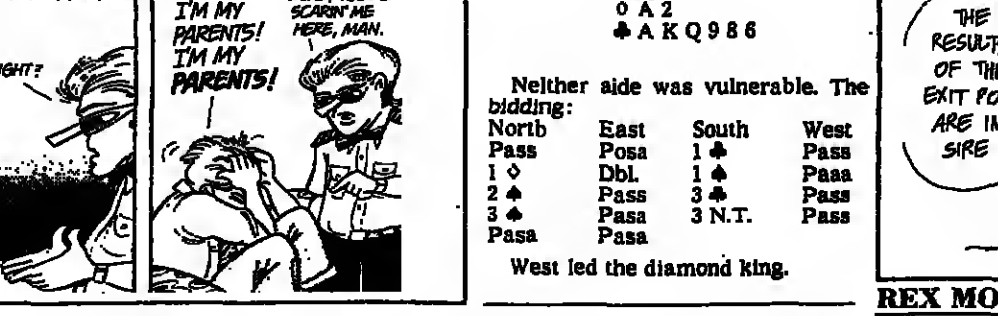
Mingling on the streets outside, waiting for the gates to open as scheduled three hours before the match, three Frenchmen wearing face paint and a curly wig of white, red and blue are gathered in front of television crews and lead a rousing chorus of their national anthem. It reminds many of the scene in Casablanca — including, one supposes, the tall knobby-kneed singer in the red wig. In crescendo, a blue tear falls from the corner of his eye.

As far as could be seen, the tournament was going to open happily. Once the matches began, of course, the betting windows on violence would be closed. The matches take on personalities of their own. As the players ready to take the field, the Swedish fans formed a rousing, noisy wave around their stadium, and the authorities braced themselves. After this, only 16 more days of fearful joy.

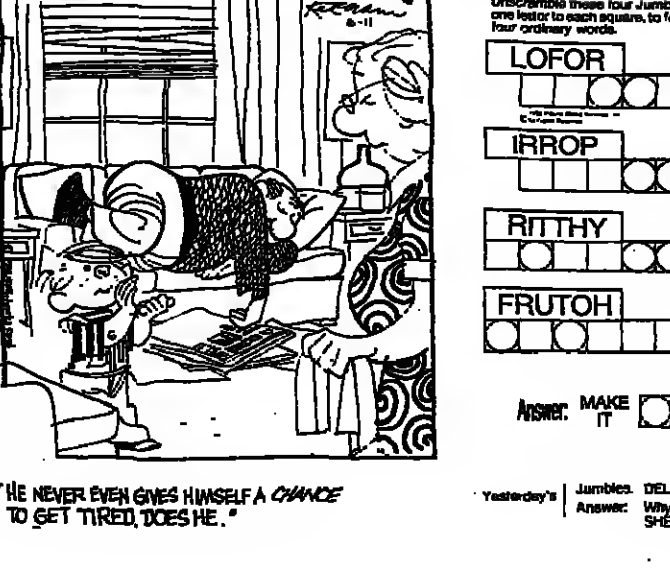
## DOONESBURY



## WIZARD of ID



## DENNIS THE MENACE



## BLONDIE



## PEANUTS



## BEEBLE BAILEY



## CALVIN AND HOBBES



## WIZARD of ID



## REX MORGAN



## GARFIELD



SPC NEW YORK... IAAF... SCOREBO Major League Standings... NATIONAL LEAGUE... WEST DIVISION... EAST DIVISION... TUESDAY'S LINE SCORE...

مکان من الأصيل







ART BUCHWALD

Owl and the President

NEW YORK — It hasn't received much publicity, but one night last week at midnight a rare spotted owl was seen sitting on the branch of a tree overlooking the president's bedroom.



Buchwald

While the president slept, senior presidential staffers, including the vice president, gathered in the Situation Room at the White House.

One of George Bush's political advisers took issue with Quayle. "We've been selling Bush as the 'environmental president.'"

Judge Rejects NEA Law

NEW YORK — A federal judge in Los Angeles has rejected a law requiring the National Endowment for the Arts to "take into consideration general standards of decency" when making grants.

our cover-up story when the press asks why we violated the law? "We'll blame it on Democratic politics. I'll bet Bill Clinton has killed a dozen spotted owls in his lifetime."

The press spokesman announced, "I just received a memo from Bill Reilly, our EPA man in Rio. He says that the U.S. has become the villain of the conference and if we don't sign a treaty — any treaty — we're going to be in deep spotted owl droppings."

The Secret Service man said, "Here's my problem. If we shoot the owl now, we're going to make a heck of a racket and wake up the president. If we wait until morning, the owl may fly away and we won't have another chance to get him."

One of the president's handlers asked, "How did the owl get into the tree in the first place? Spotted owls live outside the Beltway."

Quayle said, "Ross Perot could have flown the bird in on his private plane. I don't trust him any more than I trust an endangered snail darter."

The press spokesman yelled, "Of course! It's another Ross Perot dirty trick. He's counting on us to kill the spotted owl so that his managers, Ham Jordan and Ed Rollins, can claim we don't care about rare species that prevent us from getting a jump-start on the nation's economy."

A White House adviser said, "I don't think we should decide what to do about the owl until we talk to the president."

"We can't wake him. He's going dolphin fishing in Maine the first thing in the morning."

Japan's Otaku: Leave Us Kids Alone!

By Christine Chapman

TOKYO — You can't pick them out in a crowd unless they're wearing their Ultraman costumes or carrying a Barbie doll or a plastic Godzilla. It doesn't really matter — most are harmless.

The otaku zoku, the "you tribe," also known as the "home tribe," since the Chinese character is the same for both words describes a subterranean sect that intends to separate itself from the rest of us.

They have made quite a cult out of their computer dexterity and developed a passion for the irrelevances of pop culture. Their only desire is to be left alone.

In a 1991 video film, "Graffiti of the Otaku Generation," from Osaka's Gainax Productions, a couple of them, faces intentionally blurred, spoke out. A pump man in a dark room piled high with video films conceded: "I am 31 years old and I've been an otaku for 15 years. I don't watch videos; I'm just making the perfect collection."

An office worker interviewed at his desk confessed: "I've been an animation otaku for 13 years. At university I belonged to the club otaku jū: comics, animation, science fiction, mahjong, Lolita, student uniforms — especially sailor suits worn by girls — and Godzilla. Other members and I discussed animated television characters until late at night. That period was the most precious time of my life."

Today the otaku are surfacing, very reluctantly, in videos, in books like Ota Publishing's 1991 "Ikasu Otaku Tengoku" (Trendy Otaku Paradise), in popular magazines and on television variety shows.

The public tries to keep its distance. The otaku are weirdos, freaks, nerds, anti-social, anthropophobic, addicts of popular and passé fads. Who or what was Godzilla's mate? Where did the Bay City Rollers tour in Japan 20 years ago? How many angels can dance on the head of a moderm?

High school teachers call them "wandering bats." Sociologists and psychologists describe them as the decadent tag end of the century, an emotionless by-product of a society that also makes solid gold toilets as education. But employers consider them wizards for their fluency with computer technology.

Loners, they plug into the computer network to make byte-size contact with others like them up and down the country. As the May Tokyo Journal magazine reports, they use code names like Zero, Batman and Kojak and indulge in ferreting out errors occurring in the information pouring out of their consoles. They peer at computer bulletin boards to find hard-to-get porn and violence videos. If they're not students, they work as software designers and computer artists, engineers,



Hachiro Taku, the "Trendy Otaku" author, turned out to be a would-be actor.

editors. They relax by designing code-cracking programs and then hack into a company's mainframe for some secret info or when a certain record will be released or what the singer's bra size is. Nothing is insignificant to titillate the otaku.

"A real otaku won't talk to humans," said Kaori Usugi, 28, a computer design specialist, using their nickname. Her colleague, she said, is an otaku computer whiz who frequents video shops and carries comic books in his briefcase. "He says he finds true peace in staring at a screen."

Jun Kurumisawa, a computer artist and a 1982 graduate of the prestigious Tokyo University of Fine Arts and Music, stared at his screen, watching the video of otaku confessions, and explained: "I am not otaku, but I know artists who are influenced by them and their obsession with two-dimensional television animation. The computer screen is their canvas, and mine."

Kurumisawa began his career as an oil painter until he turned his one-room studio into a center for animated cartoons and computer graphics.

"Unlike artists who sell their graphics through the computer network or in exhibitions, the real otaku don't want to be seen or identified," he said. "The motivation for their interests in sci-fi and cartoons is childish. They analyze animated special effects with such intensity that it becomes an otaku treasure like their toy monsters. These are people with no relation to this society. They're seeking a way out."

The origin of the otaku generation is murky and somewhat sinister. They are an offshoot of the mid-1980s shōjinrui, the "new human breed" that distanced itself from obligations but reveled in being outgoing brand-name consumers.

"Change society," a pre-otaku university student echoed, amazed at the question. "It is not my business. But to know what is going on is one of my duties. The media have been good friends since birth and I breathe with them."

In 1989, the otaku became notorious when a reclusive man, Tsutomu Miyazaki, 27, was arrested for kidnapping and killing

four children. Life in his cell-like room revolved around watching a collection of thousands of videos, including slash and porn flicks. He worked as a printer, prowled through comic book shops and video game centers, and only felt at ease talking with children. Others he addressed rudely as "otaku."

The horror and outrage that resulted from the incident accounts greatly for otaku anonymity.

But there was an exception: Hachiro Taku, an unkempt 29-year-old television personality with long hair, silver-rimmed glasses and either a school uniform or a safari jacket and jeans. He was proudly otaku and carried his toys around in a shabby paper bag, squeaked when he talked and signed autographs for squealing girls and otaku guys who bought 30,000 copies of his book, "Trendy Otaku Paradise," which went into four printings from October 1991 until March 1992.

By now everyone knows that Taku is no otaku but a would-be actor named Morihiro Yano. His bizarre on-screen behavior was surpassed by his real-life penchant for getting even with his critics. At the moment he is under legal scrutiny for harassment. Exposed in scandal magazines as a pseudo-otaku, Taku has dropped into otaku limbo.

"He's no longer in fashion," said the trend-spotter Satsuki Kawada, 26. "Like most otakies he lives low like ordinary people."

Why does a nice, clean, safe country like Japan with supposedly homogeneous youth have the otaku problem? A computer response might offer: 1. the post-industrial society? 2. the education system? 3. the media? 4. the Americans!

Tamotsu Sengoku, 63, an expert on youth problems, wrote a study comparing Japanese youth with their international counterparts four years ago. As a former adviser in the prime minister's office and now the director of the Japan Youth Research Institute, he found that Japanese young people "lacked a social spirit and disliked playing with friends."

"They all have otaku characteristics," he said. "They say, 'I'm not a stereotype.' They want to be different so they develop an obsession with something that sets them apart. Our society has shifted from a manufacturing to a consumer society and it's important to be different because different is better."

"I don't think the otaku zoku are temporary. It's not a fad but deeply rooted in our nature. Japanese tend to regard human relations as ideal, individualistic and detached. It's the individuality that otakies look for in an identity. They are content and not mentally sick. A little unhealthy perhaps. Many Japanese believe that since being otaku is nonproductive, it's not normal."

Would he want his daughter to marry an otaku? He grimaced: "It's not such a good idea."

Christine Chapman is a Tokyo-based journalist who specializes in the arts.

PEOPLE

Broadway Cattle Call, With a Fashion Twist

It was a Broadway cattle call with a Seventh Avenue twist. All the performers at the Supper Club in the Edison Hotel had more in common than stage-struck dreams. They all work in the fashion industry.

Sir Edmund Hillary, who conquered Mount Everest 39 years ago, is now making something of a career defending the summit from crowds. "A few weeks ago, 32 people stood on the summit in one day," he said. "What's happening to the sense of remoteness and adventure? Tenzing and I didn't have to jostle anyone." Hillary, 72, who danced the tango with the first to climb to the summit of the world's highest mountain on May 29, 1953, in a British expedition, Tenzing died in 1986. "There is now such activity on the mountain that a great deal of rubbish and junk is left there," Hillary said. Hillary, who lives in Auckland, New Zealand, made the remarks in London on the publication of the English edition of a book of photographs of Everest, the Himalayas and Nepal.

The Patagonia Trading Co., which got worldwide publicity when Vice President Dan Quayle bought its anatomically correct South American Indian doll in front of the international press corps in Chile two years ago, made, at the request of a mischievous American businessman, 1,000 "anatomically correct" Dan Quayle dolls.

A Welsh film, "One Full Moon," took the Golden Dolphin award Wednesday for best film in the eighth edition of the Troia Film Festival in Lisbon. Director Ewan's film, shot in Wales, also picked up awards for Ashley Rowe's photography and actress Bettina Lward's portrayal in the film, which focuses on an ex-convict's haunted memories. Best actor award went to Giffi Haldorsson for his part in the Icelandic film "Children of Nature."

INTERNATIONAL CLASSIFIED Appears on Page 6



President George Bush...

Veltsin S

By Michael Do... MOSCOW — President Bush set the stage Thursday for a summit meeting of a Russian president American by expressing a would-be agreement with George Bush for deep...

Balanced Budget

WASHINGTON, AP — budget amendment to the plan supplementary budget as the deficit but when...

General News

Ross Perot urged a ban on sign lobbying. Page 10

Leisure

Gene's Colombo... than a world's fair... Waver reports on the old arena. Pages 10-11

Worried Offers St

By Frank Swoboda and Helen Dewar

WASHINGTON — Organized labor in the United States has tried to limit its ability to strike. Congress will restrict the use of permanent replacement workers.

CITY FILES

Table with columns for Amsterdam and Vienna, listing country and city codes, emergency numbers, medical assistance, U.S. Embassy, Tourism Office, World Trade Center, American Chamber of Commerce, Local Chamber of Commerce, Customs, Business travelers, Currency, and Neighborhoods.

CALENDAR

Calendar listing events in Vienna, Amsterdam, and Vienna from June 10-12 to June 20-27, including exhibitions, trade fairs, and festivals.

AT&T TRAVELER'S GUIDE AT&T USADirect Service. Includes text about service features and a table of access numbers in Europe.

At Your Service Around the Globe. Text describing AT&T services like USADirect, Message Service, and Language Line.

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